

*Final Report*

# Bolivia Strengthening Financial Markets Project

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**SUBMITTED BY**  
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## Preface

This is the project completion report for the Bolivia Strengthening Financial Markets (SFM) project carried out by Nathan Associates Inc. in accordance with USAID Contract No. 511-0598-C-00-9261-00. The original 2-year contract, dated June 30, 1989, underwent five modifications and was completed November 30, 1992.

This report contains an overall evaluation of the technical aspects of the contract, as well as recommendations for the project participant organizations. This report was prepared by Mr. Gustavo A. Gómez, Nathan Associates Director for Latin America and the Caribbean and Project Supervisor of this project; Mr. Camilo Arenas, team leader—chief of party; Ms. Martha Galicia, adviser to the Securities Exchange; and Ms. Lourdes Bellido, administrative assistant.

Nathan Associates and the project team would like to thank the USAID Mission to Bolivia, particularly the Mission's Private Sector Office, for the opportunity to collaborate with the U.S. government on this project and for the Mission's support during project implementation. Nathan Associates is also grateful to the Bolivian participant organizations for allowing the firm to collaborate with them in their efforts to strengthen the Bolivian private sector.

## Executive Summary

The goal of the Bolivia SFM project was to strengthen the Bolivian private sector as a means of fostering economic reactivation, with emphasis on improving the performance of the private financial sector. The purpose of the project was to improve the effectiveness of Bolivia's private sector institutions and increase private sector participation in policy formulation.

Project implementation began in July 1989 and ended in November 1992. Overall, the project provided assistance to 35 private sector organizations, including brokerage establishments and private banks. In addition, project personnel provided assistance to private sector enterprises with potential to participate in the securities market. The level of effort provided by technical personnel through long- and short-term consultants amounted to 269 person-months, of which 99 person-months or 37 percent were provided through Bolivian professionals.

Following are a few concrete examples or indicators of private sector achievements generated with project support according to the project goal.

- **Expanded financial markets.** The total amount traded through the Bolsa Boliviana de Valores (BBV, or La Paz Securities Exchange) from start-up in November 1989 through September 30, 1992, was approximately \$1.1 billion.
- **Improved bank solvency.** Ten of Bolivia's 15 private commercial banks have improved or are improving their financial structure through the issue of \$44.3 million of subordinated mandatory convertible debentures traded through the BBV. The banks' improved financial structure can be partly credited to this project because the BBV served as a conduit for placing the securities issued by the banks.
- **Structural reform.** The Confederación de Empresarios Privados de Bolivia (CEPB), an association of private entrepreneurs in Bolivia, provides substantive inputs into significant structural reform issues such as constitutional reform, social security reform, and privatization. The Asociación de Bancos de Bolivia (ASOBAN), an association of banks and financial institutions, has been active in discussions of the new bank law supported by analysis generated with project support.
- **Successful investment promotion efforts.** Some private sector associations participating in the project have played a significant role in investment promotion. Examples are the American Chamber of Commerce's (AMCHAM) promotion of five new companies and the Federación de Empresarios Privados de Chuquisaca's participation in creating four industrial enterprises.

The following are indicators of the end-of-project status (EOPS), describing the extent to which the project purpose was achieved.

- **Strengthened Bolivian capacity to provide financial training.** The Programa de Capacitación Financiera (PROCAF), a financial training program, developed the organization and systems to carry out an ongoing training program for financial institutions. As of October 30, 1992, PROCAF had conducted 1,529 hours of training through 37 courses to 1,100 staff members of financial sector firms. Employees of all the Bolivian private commercial banks and 11 other organizations have participated in PROCAF's training program.

- **An expanded ASOBAN.** ASOBAN has substantially strengthened its management by hiring a professional banker as executive secretary and its legal unit by hiring an experienced lawyer as head of the unit. ASOBAN's has also expanded its services as follows.
  - A central information system on bank customers is operational.
  - ASOBAN has provided a home for PROCAF.
  - ASOBAN plans to operate the check-clearing facility currently functioning under the Central Bank and will use surplus funds generated by this service to finance other services for the banking sector.
  - A fund has been established to finance technical assistance to ASOBAN's member banks.
- **A functioning market for stocks and bonds and increased investment in financial instruments.** The securities exchange system was started up with project support in November 1989. Professional brokers trained by the project currently trade seven financial instruments through the BBV (Central Bank certificates of deposit and several commercial paper and debt instruments). The total amount traded from November 1989 through September 1992 was approximately \$1.1 billion. The securities market system has developed outreach capability needed for expanding the market as follows:
  - A total of 17 brokerage establishments were authorized by the Comisión Nacional de Valores (CNV)—the equivalent of the U.S. Securities Exchange Commission—to operate on the BBV.
  - More than 100 persons were trained in securities markets.
  - The Santa Cruz Securities Exchange started up operations in August 1991; four brokerage firms are trading on this securities exchange.
- **Regular analysis and discussions of private and financial sector issues by public and private sector leaders.** The CEPB created a technical unit, which functions in coordination with CEPB's board of directors and technical committee. A wide range of national issues have been analyzed with project support and have served as a useful reference in many of the policy dialogue sessions between the private sector and officers of the Bolivian government.
- **Improved effectiveness of Bolivia's private sector associations.** In addition to the CEPB, six private sector associations have substantially improved their effectiveness as representatives of the private sector at the national or regional level. Some of the associations have reformed their by-laws to ensure more democratic election of their board of directors, enhance their credibility, and encourage broader participation in preparing the associations' agenda- and decision-making processes where the associations' positions on national or regional issues are concerned. Two private sector associations have successfully carried out investment promotion activities.

Both the new organizations started up with project support (PROCAF and the securities exchange system) and the project participant organizations existing before project implementation are firmly established and have institutionalized important services with project support.

The project personnel and consultants generated 89 documents, which can be grouped according to the following subjects or topics:

- Strategic options or approaches (15);
- Law reform (4);

- Internal policy, management systems, and procedures (10);
- Papers intended to disseminate information (16);
- Specific diagnoses and recommendations (36); and
- Specific national policy recommendations (8).

Project personnel and consultants delivered 84 workshop and seminars totaling approximately 1,336 hours of training. These training courses can be grouped in the following categories:

- Management-related areas (28);
- Specific technical subjects (41);
- Seminars on broad technical matters of general educational interest (15).

A significant number of seminars were related to lobbying and communication.



# 1. Introduction

This report concentrates on achievements and technical assistance outputs of the Bolivia Strengthening Financial Markets (SFM) project, as well as key project implementation aspects. The report also provides comments and recommendations that project participant organizations should consider for future action.

The report contains seven chapters. Following this introduction, brief background is provided in Chapter 2 on the Bolivian economic environment at the start of project implementation. Chapter 2 also describes the project objectives and deliverables called for in the project design.

Important aspects of project implementation arrangements that were modified during the project implementation are discussed in Chapter 3.

The extent to which the project goal and purpose were achieved is discussed in Chapter 4 along with a brief description of technical assistance outputs generated through the implementation of project components.

Achievements of each project participant organization generated with project support and technical assistance outputs are discussed for each project component in Chapters 5–7. Comments and recommendations on desirable future actions of the project participant organizations are also provided in these chapters.

Appendix A is a list of SFM project clients. An inventory of nonexpendable property purchased during the project is presented in Appendix B.

The information used in this report was obtained mainly from project records and reports. Economic statistical data were obtained mainly from Muller & Asociados' *Estadísticas Económicas*, 1992.

## **2. Background**

### **ECONOMIC ENVIRONMENT**

When implementation of the technical assistance contract for the SFM started in July 1989, the economic policy reforms of the government of President Victor Paz Estensoro had succeeded in eliminating hyperinflation and achieving economic stability. These reforms, established under Supreme Decree 21060 in August 1985, eliminated government controls on prices, interest rates, and the official exchange rate; implemented a lower uniform tariff rate on all imports; froze public sector wages and provided for free negotiation of private sector salaries; and decentralized key state enterprises.

The rate of increase in the Consumer Price Index (CPI) was lowered from 11,750.0 percent in December 1985 to 15.2 percent in December 1989. The annual deficit of the public sector expressed as a percentage of the gross domestic product (GDP) decreased from 12.0 percent in 1985 to approximately 5.0 percent in 1989. The annual rate of bank credit expansion to the public sector, which was 3,891.0 percent in 1985, sank below zero percent in 1986 and increased to 4.5 percent by 1989, while the rate of credit expansion to the private sector declined from 4,249.0 percent to 4.2 percent.

Having achieved economic stability, the Government of Bolivia faced the challenge of reactivating the economy and fostering economic growth. The growth rate of the GDP had already increased from -2.5 percent in 1986 to +3.0 percent in 1988 and +2.7 percent in 1989. The growth rate of the GDP was close to that of the population, which was approximately 2.8 percent.

### **PROJECT DESIGN**

The key premise in the design of the SFM project was that strengthening the Bolivian private sector was a necessary condition for the country to move from economic stabilization to economic reactivation. The project goal was to strengthen the Bolivian private sector as a means of fostering economic reactivation, with emphasis on improving the performance of the private financial sector. The project addressed some of the constraints affecting private sector confidence and its capability to function as an effective driving force in economic reactivation. The constraints addressed in the project design are inefficient financial markets, an inadequate policy and regulatory environment, and weak private sector organizations.

The purpose of the project was to improve the effectiveness of Bolivia's private sector institutions and increase private sector participation in policy formulation. The project design described the end-of-project-status (EOPS) in the following qualitative manner:

- Strengthened Bolivian capacity to provide financial training.
- Improved Asociación de Bancos de Bolivia (ASOBAN), an association of banks.
- Functioning market for stocks and bonds and increased investment in these and other new financial instruments.
- Regular analysis and discussion of private and financial sector policy issues by public and private sector leaders.

- Improved efficiency of Bolivia's private sector associations.

The project design called for technical assistance and training inputs to provide support for the three project components described below.

1. **Improvement of private sector financial institutions.** The improvement of private sector financial institutions component called for
  - Institutional development support to a new training program—the Programa de Capacitación Financiera (PROCAF), to be implemented by the Instituto para el Desarrollo de Empresarios y Administradores (IDEA)—in order to develop PROCAF's capability to implement a broad training program for the staff of financial sector institutions;
  - Technical support to ASOBAN in expanding services to its members; and
  - Technical assistance and training aimed at starting up the BBV.
2. **Improvement of private sector policy analysis and formulation capability.** The improvement of private sector policy analysis and formulation capability component addresses the need for better analysis of issues affecting the private sector. The project design called for technical assistance to the Confederación de Empresarios Privados de Bolivia (CEPB) in analyzing policy issues and developing the CEPB's capability to discuss policy issues with the Government of Bolivia and other sectors intelligently and cohesively.
3. **Strengthening of private sector associations.** The aim of the strengthening of private sector associations component was to strengthen the capability of seven private sector associations (including CEPB), thereby improving the quality and expanding the scope of their services. These associations are located in four different departments of Bolivia.

The level of effort called for in the Request for Proposals (RFP) was 237 person-months of technical assistance during a period of 2 years (see Table 1).

**Table 1. Breakdown of Institutional Contractors' Personnel in the Project Design**

	Participant Organizations					Total
	IDEA	ASOBAN	Securities Exchange System	CEPB	Associations	
<b>Field Staff</b>						
<b>Expatriate Personnel</b>						
Adviser to the CEPB				24.00		24.00
Adviser to ASOBAN and Securities Exchange System		12.00	12.00			24.00
Adviser to Securities Exchange			18.00			18.00
Adviser to Private Sector Associations					24.00	24.00
<b>Bolivian Personnel</b>						
Assistant to the Team Leader	8.00	4.00	4.00	4.00	4.00	24.00
Adviser to PROCAF	24.00					24.00
Assistant Adviser to the CEPB				24.00		24.00
Assistant Adviser to the Associations					24.00	24.00
<b>Subtotal Field Staff</b>	<b>32.00</b>	<b>16.00</b>	<b>34.00</b>	<b>52.00</b>	<b>52.00</b>	<b>186.00</b>
<b>Short-term Specialists</b>	<b>9.00</b>	<b>9.00</b>	<b>12.00</b>	<b>12.00</b>	<b>9.00</b>	<b>51.00</b>
<b>Total Level of Effort</b>	<b>41.00</b>	<b>25.00</b>	<b>46.00</b>	<b>64.00</b>	<b>61.00</b>	<b>237.00</b>

Notes: ASOBAN = Asociación de Bancos de Bolivia; CEPB = Confederación de Empresarios Privados de Bolivia; IDEA = Instituto para el Desarrollo de Empresarios y Administradores. 1. Team Leader was hired directly by A.I.D. Mission under a personal service contract. 2. Trainers for training program were hired with funding supplied by A.I.D. to training institutions under a grant agreement. 3. Original two-year contract with Nathan Associates included 5.5 person-months of home office support.

### 3. Project Implementation Arrangements

This chapter presents highlights of project implementation arrangements and adjustments during project implementation.

#### CONTRACT EXTENSIONS

Nathan Associates' technical service contract was amended five times during the project. Major material changes to the original contract are as follows:

- A no-cost extension was formalized in July 1991 extending the contract through March 31, 1992.
- The contract was amended again in April 1992 extending the contract completion date through September 30, 1992, and increasing the level of effort (LOE) of technical personnel from 243 person-months to 267 person-months. The budget was increased from \$3.496 million to \$3.853 million.
- A new no-cost extension was negotiated extending the contract completion date through November 30, 1992, and increasing the LOE of technical personnel to 272.25 person-months.

The amendments to the contract gave the project team the necessary flexibility to

- Adjust the work plans of individual project components on the basis of the Bolivian clients' institutional readiness to absorb the required technical assistance and training inputs,
- Redistribute the LOE among project components as necessary to address changing technical assistance needs and priorities, and
- Ensure the institutionalization of important innovations that required constant monitoring and additional technical assistance inputs from long-term personnel.

#### PROJECT PARTICIPANT ORGANIZATIONS

According to the original project design, the project had three components, each of which targeted one or more of the five subcomponents, as shown in the following table:

<i>Component</i>	<i>Subcomponent</i>
1. Improvement of private sector financial institutions.	1. Instituto para el Desarrollo de Empresarios y Administradores/Programa de Capacitación Financiera (IDEA/PROCAF)
	2. Asociación de Bancos de Bolivia (ASOBAN)
	3. Bolsa Boliviana de Valores (BBV, La Paz Securities Exchange) and Comisión Nacional de Valores (CNV, Securities Exchange Commission)

<i>Component</i>	<i>Subcomponent</i>
2. Improvement of private sector policy analysis and formulation capability	4. Confederación de Empresarios Privados de Bolivia (CEPB)
3. Strengthening of private sector associations	5. Private sector associations

The original project design involved 11 participant organizations that included the entities listed under the heading "Subcomponents" in the preceding table, as well as six other private sector associations.

During project implementation two subcomponents were added, bringing the total to seven. Technical assistance to brokerages and training for brokers was added in order to complement the assistance to the BBV/CNV, and technical assistance to individual banks was incorporated into the ASOBAN subcomponent. Increasing the number of subcomponents also increased the number of project participant organizations to 35. On a per-request basis, 17 brokerages and 8 banks were provided technical assistance and training. A list of project clients, including private enterprises with potential to participate in the securities market, is presented in Appendix A.

### LEVEL OF EFFORT

The overall level of effort (LOE) of technical personnel during the contract period (41 months) was 269 person-months (see Table 2). More than 40 professionals provided technical assistance and training support to the project as either long- or short-term consultants.

The project component aimed at improving private sector financial institutions (PROCAF, ASOBAN, and the capital markets institutional system) used approximately 158 person-months or 59 percent of the total LOE (111 person-months were called for in the original project design for this project component). Improvement of the private sector policy analysis and formulation capability at CEPB took 39 person-months or 14 percent (64 person-months were planned in the project design), and strengthening of the private sector associations took 59 person-months or 22 percent (61 person-months were specified in the project design). Technical and management backstopping by the home office staff of Nathan Associates represented 13.1 person-months or 5 percent. Bolivian technical personnel contributed approximately 99 person-months or 37 percent (long- and short-term consultants represented 68 and 31 person-months, respectively) to the overall LOE. In addition to the LOE of technical personnel, the Bolivian project office support staff provided a LOE of 213 person-months.

Subcontractors of Nathan Associates provided a LOE of approximately 60 person-months of technical personnel or 22 percent. The principal subcontractors, InterAmericas Group and Price Waterhouse, provided technical support through June 1991 and November 1991, respectively, when they completed the project activities for which they were subcontracted. The InterAmericas Group provided short-term consultants to assist the private sector associations in developing their communications and lobbying strategies and improving their effectiveness in these areas. Price Waterhouse provided one expatriate and one Bolivian long-term consultant to implement the project component aimed at strengthening the private sector associations.

### PROJECT ORGANIZATION AND MANAGEMENT

As set forth in the project design, the team leader position—with overall technical supervisory responsibility for project implementation in the field—was filled by a professional hired by the USAID/Bolivia Mission under a personal service contract. Approximately 6 months after start-up of project implementation, the Mission transferred the team leader, Mr. Gibbs Macdaniel, to the Mission

**Table 2. Approximate Actual Breakdown of Level of Effort**

	Participant Organizations					Total
	IDEA	ASOBAN	Securities Exchange System	CEPB	Associations	
<b>Field Staff</b>						
<b>Expatriate Personnel</b>						
Team Leader—Chief of Party	15.40	3.00	6.00	4.30	4.30	33.00
Adviser to the CEPB				14.50		14.50
Adviser to ASOBAN and Securities Exchange System		7.00	6.00			13.00
Adviser to the Securities Exchange			38.50			38.50
Adviser to Private Sector Associations					26.00	26.00
<b>Bolivian Personnel</b>						
Assistant to the Team Leader	8.00	4.00	4.00	4.00	3.00	23.00
Adviser to PROCAF	27.50					27.50
Assistant Adviser to the CEPB						
Assistant Adviser to the Associations					17.50	17.50
Subtotal Field Staff	50.90	14.00	54.50	22.80	50.80	193.00
Short-term Specialists	2.00	12.75	23.80	15.70	8.30	62.55
Total Field Staff and Short-Term Specialists	52.90	26.75	78.30	38.50	59.10	255.55
Home Office Technical and Management Backstopping						13.10
Grand Total						268.65

Notes: ASOBAN = Asociación de Bancos de Bolivia; CEPB = Confederación de Empresarios Privados de Bolivia; IDEA = Instituto para el Desarrollo de Empresarios y Administradores. 1. LOE used in general project management activities was distributed among project components. 2. Figures subject to reconciliation with accounting.

headquarters to serve as project coordinator. At the Mission's request, Nathan Associates provided a new team leader--chief of party.

In February 1990, Mr. Camilo Arenas became the team leader--chief of party. He was assigned full managerial and technical supervisory responsibility over the Nathan Associates project office in La Paz.

The new arrangement provided improved project accountability because (1) all the project personnel reported to a Nathan Associates posted employee rather than to a person employed by the Mission and (2) the team leader--chief of party reported to Nathan Associates' project supervisor at the home office rather than to the Mission. (At the same time, this arrangement provided the Mission with the opportunity to assign the project coordination responsibility to a person that was already familiar with the project.)

Ms. Martha Galicia, an expatriate securities exchange adviser, collaborated with the team leader in project monitoring and managerial functions throughout the project and performed as acting team leader--chief of party whenever necessary. Mr. René Urquide, a Bolivian senior professional, remained assistant to the team leader through May 1991, when his employment agreement expired. (A junior Bolivian professional, Ms. Ximena Miranda, carried out the functions of the assistant to the team leader during the last part of the project.) Ms. Lourdes Bellido was administrative assistant during the overall 41-month period of Nathan Associates' contract with the Mission.

Along with this organizational change, the Mission eliminated the position of a Bolivian assistant adviser from the policy analysis and formulation component to compensate for the LOE and funding required to fill the new team leader--chief of party position with resources allocated in the Nathan Associates contract.

Nathan Associates' proposed organization for carrying out technical services to the project was conceptualized under the criterion of establishing individual centers with consulting responsibility for each group of Bolivian implementing agencies that required technical inputs in a similar technical field (see Figure 1).

The LOE of 24 months called for in the original project design for the ASOBAN and capital markets expatriate adviser was decreased to approximately 14 months following a decision by the adviser (Mr. Haim Duvshani) to return to his country. Nathan Associates and the Mission agreed not to replace him. On the one hand, ASOBAN decided to strengthen its management leadership by hiring an experienced banker as executive secretary. It was also recognized at this point that the technical assistance required by ASOBAN could best be provided through short-term technical assistance. On the other hand, the assistance required by the BBV could be led by the full-time securities exchange adviser, Ms. Martha Galicia, with no support from another long-term adviser.

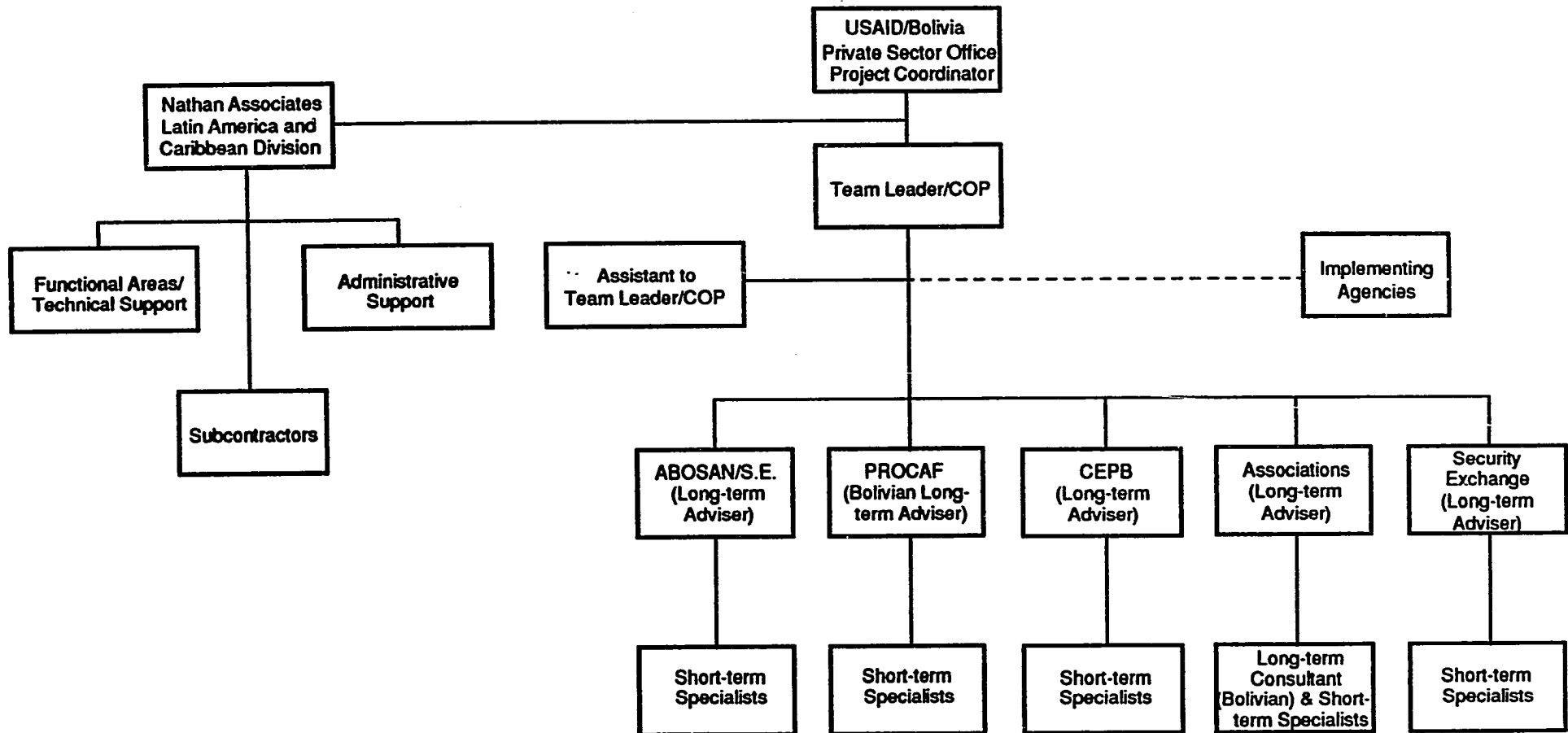
Mr. Guillermo Thornberry was hired in July 1990 to provide policy analysis and formulation advisory support to the CEPB. The consultant originally hired for this position returned to the United States.

The project component aimed at strengthening the private sector organizations was carried out under the responsibility of Mr. William Báez with assistance from a Bolivian long-term consultant, Mr. Guido Peña.

Given the complexity of the project (7 subcomponents and 35 project participant organizations), project monitoring could have been more efficient had the project established a computerized project monitoring system at the outset. Early during project implementation, Nathan Associates requested Mission approval to establish this system; however, the Mission turned down the request because it had already planned to design and establish a similar system for two of its projects, including this one. Under the Mission arrangement, a consultant started to work on the design of this system intermittently, but the system design task was never completed. The project office was provided with three desktop and one laptop computers and other office equipment, as well as office furniture and



**Figure 1. Project Organization**



other nonexpendable property purchased under the Nathan Associates contract. The list of nonexpendable property is presented in Appendix B.

### **INSTITUTIONAL HOME FOR TRAINING PROGRAM**

In September 1991 the Mission and ASOBAN signed a cooperative agreement establishing the Programa de Capacitación Financiera (PROCAF) as an autonomous program within ASOBAN. A board of directors was duly appointed by ASOBAN to preside over PROCAF, and the necessary arrangements were made to appoint personnel and start the training program for the banking sector.

Unfortunately, PROCAF did not become operational until 26 months after the project start-up date. The major cause of this delay can be traced to the project design, which had specified an inadequate institutional home for PROCAF. The project design called for integrating PROCAF into the Instituto para el Desarrollo de Empresarios y Administradores (IDEA), which would implement PROCAF. The basic justification for this arrangement was that PROCAF would (1) complement IDEA's current training program, (2) draw upon IDEA's administrative capability, and (3) reduce PROCAF's costs of operation.

This arrangement did not work out because

- IDEA's experience in implementing training programs was based mainly on generic training courses aimed at administrative support staff of all kinds of business enterprises rather than in specialized training for financial sector professionals,
- IDEA's top priority was its traditional courses,
- PROCAF's eventual manager needed to function with adequate autonomy in order to be responsive to the specialized training needs of and specific training arrangements acceptable to the banking sector, and
- IDEA was reluctant to accept a compromise under which PROCAF would function as an autonomous program with administrative services support from IDEA.

Both Mr. Arenas, the team leader—chief of party, and the Bolivian long-term consultant assigned to PROCAF, Mr. Roberto Caro, spent considerable effort—unsuccessfully—trying to find a reasonable compromise that would both ensure PROCAF's effectiveness and preserve the institutional arrangement of the original project design. The solution—to place PROCAF in ASOBAN—became more appealing given the leadership of ASOBAN's new executive secretary and the interest of ASOBAN's board of directors in implementing PROCAF.

### **TECHNICAL ASSISTANCE TO PRIVATE COMMERCIAL BANKS**

Both the Mission and ASOBAN accepted Mr. Arenas's recommendation to expand the scope of the project's technical services to include technical assistance to banks. The Mission authorized the project to provide individual banks with technical assistance aimed at improving the banks' operations and services. Technical assistance recipients were approved on a first come, first served basis.

At the Mission's request, a cost-sharing concept was developed under which the recipients of technical assistance pay ASOBAN 50 percent of the cost of the technical assistance provided by Nathan Associates. ASOBAN established a technical assistance fund with the sums paid by the banks that it will use to finance technical assistance for the banks under a similar cost-sharing scheme after the Nathan Associates budget is depleted.

## 4. Achievement of Project Objectives

This chapter discusses the extent to which the project goal and purpose were achieved and provides information about the project components and outputs on an overall project basis.

### PROJECT GOAL

The project was carried out under conditions, described below, that provided it a very favorable environment.

- The project goal—strengthening the private sector as a means to foster economic reactivation—was consistent with the Government of Bolivia's strategy to achieve economic growth by relying on the private sector as the driving force. Since 1985 the Government of Bolivia has functioned under this concept, and the government's role has been to develop an economic policy environment suitable for private sector initiatives and investments within a democratic framework.
- The Bolivian private sector was encouraged to and believed it should become an active participant in the development of the country's economic policies and framework of laws aimed at accelerating economic reactivation. However, the private sector needed to develop the institutional capabilities of its own associations in order to improve their effectiveness in identifying impediments and conceiving solutions to foster private sector development and to carry out constructive discussions about policy issues within their own associations as well as with the Government of Bolivia.

As may be observed, the project's technical assistance and training inputs aimed at strengthening the private sector were consistent with and supported the Government of Bolivia's policy to rely on private sector initiatives as the driving force to reactivate the Bolivian economy. In addition, the project responded to the private sector's perceived need to prepare itself to carry out this role.

The project's most significant impact on strengthening the private sector will occur in the medium term, owing to the development of a solid institutional foundation for expanding the financial sector and the services of private sector associations. Therefore, the private sector's impact on economic growth can be expected to increase in the medium term. Nevertheless, during the project, the private sector achieved significant progress in carrying out its role as a driving force in economic reactivation. A few concrete examples or indicators of private sector achievements generated with project support are given below.

- **Expanded financial markets.** The total amount traded through the Bolsa Boliviana de Valores (BBV, or La Paz Securities Exchange) from start-up in November 1989 through September 30, 1992, was approximately \$1.1 billion.
- **Improved bank solvency.** Ten of Bolivia's 15 private commercial banks have improved or are improving their financial structure through the issue of \$44.3 million of subordinated mandatory convertible debentures traded through the BBV. The banks' improved financial

structure can be partly credited to this project because the BBV served as a conduit for placing the securities issued by the banks.

- **Structural reform.** The Confederación de Empresarios Privados de Bolivia (CEPB), an association of private entrepreneurs in Bolivia, provides substantive inputs into significant structural reform issues such as constitutional reform, social security reform, and privatization. The Asociación de Bancos de Bolivia (ASOBAN) has been active in discussions of the new bank law supported by analysis generated with project support.
- **Successful investment promotion efforts.** Some private sector associations participating in the project have played a significant role in investment promotion. Examples are the American Chamber of Commerce's (AMCHAM) promotion of five new companies and the Federación de Empresarios Privados de Chuquisaca's participation in creating four industrial enterprises.

There is also widespread evidence of the private sector's increased motivation and role in economic reactivation. Widespread impacts cannot usually be traced to an individual project but represent the cumulative effect of positive changes in the policy environment and the combined impact of various economic reactivation efforts fostered by the private sector itself and international donors. The following are a few concrete examples of increased participation by the private sector in economic reactivation.

- **Growth of GNP.** The GNP growth rate increased from 2.7 percent in 1989 to 4.1 percent in 1991 and to an estimated 3.8 percent in 1992, according to preliminary figures of the Central Bank.
- **Private sector investment.** Preliminary estimates indicate that private sector investment amounted to more than \$400 million in 1992, representing an increase of more than 20 percent and 80 percent compared with 1991 and 1990, respectively.
- **Deposits in banking system.** Deposits in the banking system increased from \$797 million as of December 31, 1990, to \$1.183 billion in 1991 and to \$1.496 billion in 1992—an average annual rate of 37 percent.
- **Exports.** The combined amount of exports of all agricultural and nontraditional products (all exports excluding mining and petroleum) grew from \$108 million in 1988 to \$204 million in 1989 and \$292 million in 1990, and dipping to \$251 million in 1991<sup>1</sup>—an average annual rate of 32 percent during this period.

### PROJECT PURPOSE

The project purpose—improving the effectiveness of Bolivia's private sector institutions and increasing private sector participation in policy formulation—was achieved to a very large extent. Following is the end-of-project status (EOPS) based on indicators spelled out in the project design.

- **Strengthened Bolivian capacity to provide financial training.** PROCAF developed the organization and systems to carry out an ongoing training program for financial institutions. As of October 30, 1992, PROCAF had conducted 1,529 hours of training through 37 courses to 1,100 staff members of financial sector firms. Employees of all the Bolivian private commercial banks and 11 other organizations have participated in PROCAF's training program.

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<sup>1</sup>In 1991 some agricultural export products were affected by either lower market prices or livestock disease.

- **An expanded ASOBAN.** ASOBAN, Bolivia's association of banks, has substantially strengthened its management by hiring a professional banker as executive secretary and its legal unit by hiring an experienced lawyer as head of the unit. ASOBAN has expanded its services as follows:
  - A central information system on bank customers is operational.
  - ASOBAN has provided a home for PROCAF.
  - ASOBAN plans to operate the check-clearing facility currently functioning under the Central Bank and will use surplus funds generated by this service to finance other services for the banking sector.
  - A fund has been established to finance technical assistance to ASOBAN's member banks.
- **A functioning market for stocks and bonds and increased investment in financial instruments.** The securities exchange system was started up with project support in November 1989. Professional brokers trained by the project currently trade seven financial instruments through the BBV (Central Bank certificates of deposit and several commercial paper and debt instruments). The total amount traded from November 1989 through September 1992 was approximately \$1.1 billion. The securities market system has developed outreach capability needed for expanding the market as follows:
  - A total of 17 brokerage firms were authorized by the Comisión Nacional de Valores (CNV) to operate on the BBV.
  - More than 100 persons were trained in securities markets.
  - The Santa Cruz Securities Exchange started up operations in August 1991; four brokerage firms trade on this security exchange.<sup>2</sup>
- **Regular analysis and discussions of private and financial sector issues by public and private sector leaders.** The CEPB, an association of Bolivian private enterprises, created a technical unit within its organization, which functions in coordination with CEPB's board of directors and technical committee. A wide range of national issues have been analyzed with project support and have served as a useful reference in many of the policy dialogue sessions between the private sector and officers of the Bolivian government.
- **Improved effectiveness of Bolivia's private sector associations.** In addition to the CEPB, six private sector associations have substantially improved their effectiveness as representatives of the private sector at the national or regional level. Some of the associations have reformed their bylaws to ensure more democratic election of their board of directors, enhance their credibility, and encourage broader participation in preparing the associations' agenda- and decision-making processes where the associations' positions on national or regional issues are concerned. Two private sector associations have successfully carried out investment promotion activities.

## PROJECT COMPONENTS

Nathan Associates followed a three-tier technical support delivery approach with respect to Bolivian organizations participating in the project. This approach consisted of (1) developing and improving management systems, (2) improving technical capability in specific areas, and (3) preparing special reports on specific issues. The scope and extent of the support to each organization was determined on the basis of the type of services provided by the organizations and on the basis of their technical support needs.

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<sup>2</sup>The Santa Cruz Securities Exchange was established with no significant support from the SFM project.

In November 1989, a 3-day workshop on strategic planning concepts and the logical framework planning methodology was given by Nathan Associates and attended by all the project participant organizations. The workshop emphasized the importance of defining the organizations' mission and strategic objectives and motivated and prepared the organizations to thoroughly develop strategic plans with the assistance of the long-term project consultants. The organizations' strategic plans helped the project personnel to establish technical support priorities for each organization.

Both the new organizations that were started up with project support (PROCAF and institutions in the securities exchange system) and the project participant organizations existing before project implementation are firmly established and have institutionalized important services through technical assistance and training support from the project. A substantial part of the project support provided to all the participant organizations is documented in technical reports as well as in records of training courses conducted by the project's long-term personnel and short-term consultants. In addition, the project personnel provided day-to-day advisory services and on-the-job training to these organizations.

The project personnel and consultants generated 89 documents, which can be grouped according to the following subjects or topics:

- Strategic options or approaches (15);
- Law reform (4);
- Internal policy, management systems, and procedures (10);
- Papers intended to disseminate information (16);
- Specific diagnoses and recommendations (36); and
- Specific national policy recommendations (8).

Project personnel and consultants delivered 84 workshops and seminars totaling approximately 1,336 hours of training. These training courses can be grouped in the following categories:

- Management-related areas (28),
- Specific technical subjects (41); and
- Broad technical matters of general educational interest (15).

A significant number of seminars were related to lobbying and communication.

The scope of the technical assistance required by and provided to the securities market system was more comprehensive than the assistance required by other project subcomponents. Project assistance to the securities market system was more intensive and influential in the organizations of the system than the project assistance provided to the other project participant organizations. The aim of the technical assistance and training to the securities market system was establishing and implementing the overall institutional system for the operation of the securities market, as well as developing the securities market. Therefore, the discussion in the following chapters on specific project components and subcomponents provides more detailed information about the securities market system than about the other project subcomponents.

## **5. Improvement of Private Sector Financial Institutions**

The improvement of private sector financial institutions, one of the three project components, was composed of three subcomponents in the original project design:

- Financial training program (PROCAF),
- Expansion and improvement of the services of ASOBAN, and
- Establishment of markets for debt and equity instruments (including assistance to brokerage establishments).

Technical assistance to private commercial banks was added during the second half of 1991, and technical assistance to brokerage establishments was added early during project implementation, under the third subcomponent.

In the following discussion, technical assistance to private commercial banks will be discussed under the same heading as the ASOBAN subcomponent because technical assistance to the banks was implemented on a per-request basis under the umbrella of ASOBAN.

### **FINANCIAL TRAINING PROGRAM (PROCAF)**

As indicated earlier, PROCAF did not start up operations until September 1991. From July 1989 to start-up, project personnel designed PROCAF's operating manual, reviewed the training program prepared during project design, and identified potential institutions and instructors and sources of didactic material. Once PROCAF was formally established as an autonomous program at ASOBAN, the project assisted PROCAF with all organizational and program design aspects, including selection of key personnel and the design of a computerized cost accounting system.

At present, PROCAF is a well-established program supported by ASOBAN. PROCAF has made substantial progress toward achieving financial self sufficiency. As of August 1992, PROCAF's revenues covered 100 percent of its variable cost and 64 percent of its overall cost. The key objectives and achievements of the technical support provided to PROCAF are presented in Table 3.

Following are several suggestions for ASOBAN to consider in order to further ensure the effectiveness of PROCAF.

- PROCAF requires both a more expeditious decision-making process for its board of directors and more effective communication with ASOBAN's board of directors. The role of PROCAF's board of directors might be modified by delegating some of the Board's authority and responsibility to one of its members. This delegate should also have the authority to select a designate to carry out the functions of the delegate when he or she is not available. This is a realistic arrangement that addresses the difficulties of scheduling board meetings with a large number of board members.
- PROCAF should study the possibility of offering one-day seminars or workshops each year on four or five specific subjects for members of the banks' board of directors and chief executive officers. These seminars should be provided for each individual bank. Members of the banks'

**Table 3. PROCAF's End-of-Project Status**

Objective	Achievements
1. Identify the training needs of private financial sector institutions.	<ul style="list-style-type: none"> <li>• Training needs were identified through ISTI, requested by USAID and the Central Bank of Bolivia. In addition, a survey of bank managers in La Paz, Cochabamba, and Santa Cruz was conducted.</li> </ul>
2. Design, develop, and deliver short-term training courses and workshops.	<ul style="list-style-type: none"> <li>• A total of 37 courses and seminars were presented during the project.</li> </ul>
3. Carry out a continuing program of courses on financial topics.	<ul style="list-style-type: none"> <li>• A training program was designed for personnel of financial institutions.</li> <li>• Annual academic plans were prepared.</li> <li>• A total of 1,110 persons participated in training courses and seminars, of which 22 percent were women.</li> <li>• A total of 1,529 training hours were given between 1990 and October 1992.</li> <li>• Financial institutions with continued participation constitute 19 banks and 11 others.</li> <li>• Training activities have been carried out for bank personnel in La Paz, Santa Cruz, Cochabamba, and Sucre.</li> <li>• As part of the agreement between ALIDE and PROCAF, five Bolivian Central Bank- and IDB-sponsored training courses were conducted by ALIDE's instructors.</li> </ul>
4. Select, develop, and train local instructors.	<ul style="list-style-type: none"> <li>• Eight courses were conducted by local instructors.</li> </ul>

Notes: ALIDE = Asociación Latinoamericana de Instituciones de Desarrollo; IDB = Inter-American Development Bank; ISTI = International Science and Technology Institute, Inc.; PROCAF = Programa de Capacitación Financiera; USAID = U.S. Agency for International Development.



board of directors should be thoroughly familiar with strategic planning concepts and also stay abreast of developments and innovations in the banking industry.

- In addition to the end-of-course evaluation of courses, PROCAF should carry out a second evaluation one year after completion of the course. The objective of these evaluations is to determine the impact of the course on the trainee's performance and identify desirable modifications to the curriculum or course design. The second evaluation should also provide data on or illustrate the possible impact of the course on the bank's performance.
- Finally, PROCAF's personnel should bear in mind that the banks' enthusiasm for and support of PROCAF will depend only on (1) the usefulness and effectiveness of the courses and (2) PROCAF's ability to demonstrate that its training program helped improve banks' performance. Therefore, PROCAF's promotion strategy for future courses will have to rely heavily on data or indicators related to these aspects.

### **EXPANSION AND IMPROVEMENT OF THE SERVICES OF ASOBAN**

Substantial effort was made during the first year of the project to implement ASOBAN's six project activities called for in the project design, which included establishing

- A central information system on bank clients,
- A check-clearing facility as a backup to the Cámara de Compensación (check clearinghouse) operated by the Central Bank,
- An economic analysis unit to generate information about the banking industry and economic trends,
- A permanent legal unit,
- A database on bank personnel, and
- A technical library.

ASOBAN made substantial progress in strengthening its organizational capabilities, but only two of the original six activities were fully implemented: the central information system and the permanent legal unit. ASOBAN did not think it necessary to implement the other activities called for in the original project design. However, toward the end of project, ASOBAN became interested in the possibility of operating the check-clearing facility. In contrast to the original project design, ASOBAN's idea is to transfer the check-clearing responsibility from the Central Bank to ASOBAN rather than operating this facility as a backup system for the Central Bank. The prefeasibility study carried out by Nathan Associates recommended that ASOBAN establish a Cámara de Compensación (check clearinghouse) to provide the check-clearing service to the banking industry, replacing the Central Bank's function.

The project provided substantial and extensive assistance to ASOBAN in analyzing the draft of the new bank law (Ley de Bancos) and preparing recommendations for the consideration of the Superintendency of Banks and the executive branch of the Government of Bolivia.

At the request of a group of banks and in coordination with ASOBAN, the project organized two seminars on money laundering in April 1992. The seminars, held in Santa Cruz and in Cochabamba, centered on policies and practices that banks should adopt in order to prevent money laundering and information on international agreements regarding money laundering. Personnel from the U.S. Department of the Treasury, Customs Service, and Federal Reserve Bank conducted the seminars. More than 100 representatives of private financial sector institutions and the Central Bank and Superintendency of Banks attended.

The key objectives and achievements of the technical assistance provided under the ASOBAN project component are presented in Table 4. In addition to the outputs listed in Table 4, the project team generated several technical documents with recommendations for the banking system during the first year of the project. As an illustration, some of these documents contained analysis and recommendations on the following subjects: capital adequacy and minimum capital requirements, minimum capital and capital adequacy in Latin American countries, operations' framework of Bolivian banks, comments on the Superintendency of Banks' evaluation of credit, interest rates on legal reserves, and banks and the securities exchange.

In July 1991, USAID/Bolivia and ASOBAN authorized Nathan Associates to add a technical assistance activity for individual banks. Nathan Associates provided technical assistance to 8 of Bolivia's 15 private commercial banks in one or more of the following areas: (1) bank profitability and cost analysis, (2) credit policies and procedures, (3) international operations, (4) marketing of bank services, and (5) computerized management and operation systems including recommendations on hardware configuration.

A list of the major technical assistance reports produced for individual banks is given in Table 5. The participating banks implemented or have expressed their intent to implement the recommendations provided in these reports. A list of seminars conducted by the project for industrywide audiences is presented in Table 6.

As a result of the following achievements, ASOBAN is now in a much better position to significantly influence the banking sector than at the beginning of the project.

- Improvement of communication links with the Superintendency of Banks.
- Hiring of personnel with analytical capabilities.
- Development of data processing capabilities to generate useful data for the banking sector.
- Strengthening of the links and coordination of PROCAF and ASOBAN with the banking sector as a result of PROCAF's placement at ASOBAN.
- ASOBAN's possible decision to establish the Cámara de Compensación, if approved by the Central Bank and the Superintendency of Banks, opening up new opportunities for further expansion of ASOBAN's services to its member banks.

ASOBAN's most important challenge in the near future is to exercise its influence in strengthening the solvency and efficiency of the banking industry and increasing the confidence of both the general public and correspondent banks in the Bolivian banking system. Some deposits in the banking system may still be volatile. The Bolivian banking system has probably benefited substantially from certain events and circumstances surrounding the international financial markets. For example, the difficult political situations in Panama and Peru, as well as the low interest rates prevailing in the United States have probably contributed significantly to encouraging repatriation of capital and some deposits of foreign capital. The challenge is to maintain these capitals in Bolivia when these circumstances change.

## **SECURITIES MARKET SYSTEM**

The securities market system, consisting of the Comisión Nacional de Valores (CNV), Bolsa Boliviana de Valores (BBV), and brokerage firms, along with a cadre of certified brokers, is now functioning. Neither CNV nor BBV was functioning when the project started in July 1989, even though both were legally created in 1979. Project assistance to the CNV and BBV began in August 1989, and both organizations started operations in November 1989. In addition to providing technical assistance and

**Table 4. ASOBAN's End-of-Project Status**

Objective	Achievements
1. Develop information system on bank customers. Database generates information on canceled demand deposit accounts, credit records, consolidated portfolio analytical data by sector, region of country, terms of the loan, and type of customer.	<p>A central information system was developed. The system installed uses an IBM PS/80 computer as a server, and other computers are linked through a network.</p> <ul style="list-style-type: none"><li>• Data input from financial system and verification of data provided</li><li>• Parameter screen for the system</li><li>• General data on borrowers</li><li>• Data on credit operations</li><li>• Data on borrowers' operations</li><li>• Data on affiliated credit operations</li><li>• Financial system loan status</li><li>• Financial system borrowers</li><li>• Loans by institution and loan destination</li><li>• Loans by institution and type of loan</li><li>• Loan by institution and region</li><li>• Loan certification</li></ul>
2. Develop a backup system for interbank check clearing.	<p>The project prepared a feasibility study and recommended establishment of an interbank check-clearing system administered by ASOBAN instead of the Central Bank. ASOBAN plans to implement recommendations. The study includes</p> <ul style="list-style-type: none"><li>• An evaluation of the check-clearing system currently operated by the Central Bank of Bolivia;</li><li>• Demand projection for clearing services;</li><li>• Design of a project to establish a clearing system administered by ASOBAN; and</li><li>• Financial feasibility analysis.</li></ul>
3. Establish a legal analysis unit to analyze and generate recommendations on laws and regulations that affect the banking sector.	<ul style="list-style-type: none"><li>• The unit is functioning, headed by an experienced attorney specialized in banking matters.</li><li>• The SFM project consultants participated in drafting the Banking Law and preparing ASOBAN's comments to the proposed law presented by the Bolivian Superintendency of Banks.</li></ul>
4. Provide technical assistance to improve the performance of the Bolivian private commercial banking system.	<ul style="list-style-type: none"><li>• Technical assistance was provided to eight private commercial banks in different areas of bank operations. The program was carried out on a 50 percent shared-cost basis.</li><li>• Thirteen different consultancies were executed under the program.</li><li>• Five different areas of banking were covered by the technical assistance: administrative costs, information systems, marketing, credit policies and procedures, and international trade.</li></ul>

**Table 5. Technical Reports Generated under  
the ASOBAN Component**

Title	Author	Date
Manual de Procedimientos para <ul style="list-style-type: none"> <li>• Efectuar un Diagnóstico sobre la Incidencia de los Costos de Administración</li> <li>• Implementar un Sistema de Costos de Rentabilidad en los Bancos Afiliados a la Asociación de Bancos e Instituciones Financieras de Bolivia (ASOBAN)</li> </ul>	Luis Echarte	December 1990
Metodología y Diagnóstico sobre Costos de Administración y Rentabilidad Bancaria, Estudio de Casos: El Banco Boliviano Americano	Ramón Frediani	May 1991
Metodología y Diagnóstico sobre Costos de Administración y Rentabilidad Bancaria, Estudio de Casos: El Banco de Inversión Boliviano	Ramón Frediani	June 1991
Metodología y Diagnóstico sobre Costos de Administración y Rentabilidad Bancaria, Estudio de Casos: El Banco Industrial, S.A.	Ramón Frediani	June 1991
Rentabilidad Bancaria, Costos de Administración y Centro de Costos Estudio de Casos: El Banco Económico, S.A.	Ramón Frediani	December 1991
Rentabilidad Bancaria, Costos de Administración y Centro de Costos Estudio de Casos: El Banco Internacional de Desarrollo, S.A.	Ramón Frediani	November 1991
Metodología y Diagnóstico sobre Costos de Administración y Rentabilidad Bancaria Estudio de Casos: Banco Industrial y Ganadero del BENI, S.A.	Ramón Frediani	November 1991
Informe sobre el Departamento de Comercio Exterior del Banco Nacional de Bolivia	Eduardo Quant	April 1992
Informe sobre el Departamento de Comercio Exterior del Banco Industrial, S.A.	Eduardo Quant	April 1992
Manual of Credit Policies and Procedures for Banco Nacional de Bolivia	Donald Richardson	June 1992
Recommendations on Credit Policies and Procedures for Banco Nacional de Bolivia	Donald Richardson	June 1992
Planeamiento Estratégico de Sistemas Computarizados	Alfonso Buendía	July 1992
Banco Boliviano Americano Políticas de Crédito y Sistema General de Mercadeo	Gustavo Gómez	October 1992

**Table 6. Seminars and Workshops Conducted under  
ASOBAN Component**

Title	Instructor	Date
Strategic Planning and Logical Framework Methodology	Gustavo Gómez	November 1989
Lobbying and Communications	Joseph Thomas	November 1989
Lobbying Techniques	Benjamin Crosby	February 1990
Public Communications and Relations with the Press	Jesús Monroy	February 1990
Lobbying Techniques	Benjamin Crosby	February 1990 April 1991
Public Communications and Relations with the Press	Joseph Thomas	February 1990
Communications Brainstorming Workshop	Joseph Thomas	February 1990
Strategic Planning in Communications	Joseph Thomas	June 1990
Money-Laundering Seminar	Rudolf Zepeda Michael Yasofsky Patricia Broderick Peter Balanon	April 1992

training to the CNV and BBV as called for in the RFP, the project also dedicated substantial effort to the promotion and organization of brokerage firms and training of brokers. The project also promoted the establishment of and provided assistance to the Asociación de Agentes de Bolsa (Association of Brokers).

The technical assistance strategy for the start-up of the securities exchange system consisted of the following steps:

- Identification of financial instruments with immediate market potential. It was necessary to identify financial instruments that could (1) have credibility among potential investors and (2) be issued by interested issuers on a large scale. The only instrument that met these requirements was the certificate of deposit (CD) issued by the Central Bank of Bolivia.
- Identification of organizations interested in and willing to establish brokerage operations. Originally, commercial banks were the only institutions willing to establish subsidiary brokerage operations.
- Development of the basic regulatory framework and system of the CNV and the BBV, including trading procedures.
- Provision of basic training to all participants in the securities exchange system.
- Implementation of a promotion and information dissemination program aimed at investors and the private sector on the operations of the securities exchange system and how private businesses and individual investors could benefit from the system. When project activities began, many businesspersons, government authorities, and the general public lacked information about the purpose and operations of a securities market.

The amount traded through the BBV is very significant. During the 34-month period from November 1989 through September 1992, the total amount of Central Bank CDs traded in the secondary market amounted to \$1.079 billion. An important development for the future of the securities market is that six private sector debt instruments that have entered the market gradually since 1990 represented a trading value of more than \$8 million in secondary market trading. Moreover, the total value of securities issued and placed by private sector firms, including commercial banks, represented more than \$44 million. To a large extent, the significant difference between the amount placed and the amount traded in the secondary market is due to the following factors:

- Interest paid on these private sector debt instruments is substantially higher than the interest paid on other market instruments (Central Bank CDs), and
- Instruments placed fairly recently represent a significant value with respect to the total value of private sector debt instruments placed.

Private sector financial instruments currently traded are *certificados de nota de crédito negociables* (CENOCREN), a tax return instrument for exporters; bank-subordinated mandatory convertible debentures; promissory notes; debentures; commercial bank certificates of deposit; and participation certificates. As of September 30, 1992, 626 individuals and legal entities were using the BBV (excluding investors that purchased subordinated mandatory convertible debentures issued by 10 Bolivian banks). Table 7 presents a summary of achievements under this subcomponent.

A list of 31 documents generated by the long-term adviser to the securities exchange market and short-term consultants is presented in Table 8.

**Table 7. Securities Exchange System's End-of-Project Status**

Objective	Achievements
<b>Bolsa Boliviana de Valores (BBV)</b>	
<p>1. Bolivian Stock Exchange established and operating.</p>	<ul style="list-style-type: none"> <li>• Bolsa Boliviana de Valores (BBV, or La Paz Securities Exchange) became fully operational on November 16, 1989.</li> <li>• Basic set of trading and operational regulations was approved by the Comisión Nacional de Valores (CNV, or Securities Exchange Commission) and adopted.</li> <li>• Basic registration and listing fees were established by BBV's board and approved by CNV.</li> <li>• The Bolsa de Valores de Santa Cruz de la Sierra, S.A., started operations August 30, 1991.</li> <li>• Three staff members of the BBV were trained locally and in Mexico.</li> </ul>
<p>2. By the second evaluation, the Bolivian Stock Exchange in conjunction with CNV will have developed and traded between one and five capital market instruments.</p>	<ul style="list-style-type: none"> <li>• Seven capital market instruments were developed; Negotiable Certificates of Deposit (CD) of the Central Bank of Bolivia; Certificados de Nota de Crédito Negociables (CENOCREN), a tax return instrument for exporters; Bank Subordinated Mandatory Convertible Debentures; Promissory Notes; Debentures; Commercial Bank's Certificates of Deposit (DPFs); and Participation Certificates.</li> <li>• Securities were issued by 32 institutions, including 10 private commercial banks.</li> <li>• As of September 1992 the cumulative amount traded was US\$1,087.88 million—US\$1,079.40 in Central Bank CDs; US\$1.62 million in CENOCREN; US\$5.03 million in bank-subordinated mandatory convertible debentures; US\$1.64 million in debentures; and US\$0.19 million in promissory notes. These figures include only secondary market transactions.</li> <li>• As of September 1992 the total number of transactions was 5,203.</li> <li>• Record trading for a single day reached US\$17 million.</li> <li>• As of September 1992, 626 clients were using the BBV, with an average investment of US\$35,751.</li> </ul>
<p>3. At least eight brokers will have been trained and authorized to operate in the Bolsa.</p>	<ul style="list-style-type: none"> <li>• Twenty-one representatives of brokerage firms were trained locally and in Mexico and are authorized to operate on the BBV.</li> <li>• As of September 1992, 17 brokerage firms, banks, and individuals were authorized to operate in the BBV, and 4 brokerage firms were authorized to operate in the Bolsa de Valores de Santa Cruz, S.A.</li> <li>• More than 100 persons have been trained by Nathan Associates consultants in stock market operations.</li> <li>• A Bolivian Securities Brokers Association (ABAB) was organized to promote market development and regulate the activity.</li> <li>• Involvement of women in stock exchange activities was promoted and achieved, including participation in the traditionally male-oriented trading floor activity.</li> </ul>

**Table 7 (continued)**

Objective	Achievements
<p>4. At least 10 companies will have been assessed and authorized to sell security instruments through the Bolsa.</p>	<ul style="list-style-type: none"> <li>As of September 1992, 13 private companies, including seven private commercial banks, were registered with listed securities.</li> <li>The total amount issued was US\$35.88 million— US\$22.8 million in subordinated mandatory convertible debentures; US\$11.5 million in debentures; and US\$1.58 million in promissory notes. As of September 1992, the total amount placed was US\$20.88 million.</li> </ul>
<b>Comisión Nacional de Valores (CNV)</b>	
<p>1. CNV established and operating.</p>	<ul style="list-style-type: none"> <li>CNV is fully operational.</li> <li>Basic registration fees were established and adopted.</li> <li>A database was developed to adequately assist in the monitoring and analysis of securities exchange activities.</li> <li>A total of 10 staff members were trained locally and in Mexico; two of them received training in the United States.</li> </ul>
<p>2. By the second evaluation, the Commission, in conjunction with the BBV, will have developed and traded between one and five capital market instruments.</p>	<ul style="list-style-type: none"> <li>Seven capital market instruments were developed: Negotiable Certificates of Deposit (CD) of the Central Bank of Bolivia; Certificados de Nota de Crédito Negociables (CENOCREN), a tax return instrument for exporters; Bank Subordinated Mandatory Convertible Debenture; Promissory Notes; Debentures; Commercial Bank's Certificates of Deposit (DPFs); and Participation Certificates.</li> <li>Securities were issued by 32 institutions, including 10 private commercial banks.</li> <li>As of September 1992 the total amount traded was US\$1,087.88 million—US\$1,079.40 million in Central Bank CDs; US\$1.62 million in CENOCREN; US\$5.03 million in bank's subordinated mandatory convertible debentures; US\$1.64 million in debentures; US\$0.19 million in promissory notes. These figures include only secondary market transactions.</li> </ul>
<p>3. At least eight brokers will have been trained and authorized to operate in the BBV.</p>	<ul style="list-style-type: none"> <li>As of September 1992 a total of 17 brokerage firms, banks, and individuals were authorized to operate in the BBV, and 4 brokerage firms were authorized to operate in the Bolsa de Valores de Santa Cruz, S.A.</li> </ul>
<p>4. At least 10 companies will have been assessed and authorized to sell securities instruments through the BBV.</p>	<ul style="list-style-type: none"> <li>As of September 1992, 13 private companies, including 7 banks, were registered with listed securities.</li> <li>The total amount issued was US\$35.88 million, US\$22.8 million in subordinated mandatory convertible debentures, US\$11.5 million in debentures, and US\$1.58 million in promissory notes. As of September 1992 the total amount placed was US\$20.88 million.</li> <li>The average time required for processing requests for issuing is 4 weeks.</li> </ul>
<p>5. A set of regulations for securities exchange transactions will have been developed.</p>	<ul style="list-style-type: none"> <li>Regulations for securities exchange, issuers, brokers, investment advisers, accounting firms, and banks were developed.</li> <li>The CNV presented a draft of a Securities Market Law to the Ministry of Finance.</li> </ul>



**Table 8. Technical Reports Generated under  
Securities Market Component**

Title	Author	Date
El Mercado de Dinero y sus Instrumentos	Luz Maria Ramirez Martha Galicia	April 1990
Evaluación del Mercado de Valores y Recomendaciones para un Plan de Trabajo	Martha Galicia	May 1991
Breve Análisis y Perspectivas del Mercado de Valores en Bolivia	Martha Galicia	December 1991
Diagnóstico de la Bolsa Boliviana de Valores, S.A./Reglamento de la Bolsa Boliviana de Valores	Martha Galicia BBV Staff	May 1991
Anteproyecto Ley Mercado de Valores	Fernando Vidal	July 1991
Borrador: Reglamento Interno de la Bolsa Boliviana de Valores, S.A.	Martha Galicia	June 1992
Informe sobre el Diseño e Implementación del Sistema Automatizado para la Bolsa Boliviana de Valores, S.A.	Jaime Daza	November 1991
Informe sobre el Diseño e Implementación del Sistema Automatizado para la Comisión Nacional de Valores a la Fecha y Proyección para el Período Julio 1991-Junio 1992	Jaime Daza	April 1991
Proyecto de Ley del Mercado de Valores	Fernando Vidal	July 1992
Informe de Visita a la Bolsa Boliviana de Valores	William Aguirre	January 1992
Servicios Complementarios, Plan de Trabajo y Sistema de Liquidaciones	William Aguirre	May 1992
Informe de la Revisión del Proyecto de Ley del Mercado de Valores	Pedro Bautista	May 1991
Proyecto de Ley del Mercado de Valores	Pedro Bautista	June 1992
Promoción de Servicios Bursátiles	José Luís Guerrero	August 1992
Boletín de la Bolsa Boliviana de Valores	Carlos Sanchez	July 1992
La Importancia de la Banca de Inversión en el Negocio de los Servicios Financieros	Carlos Sanchez	July 1992

**Table 8 (continued)**

Title	Author	Date
Sociedades de Inversión	Maria del Carmen Sanjurjo	August 1992
Ayuda Memoria sobre el Mercado de Valores	Martha Galicia	July 1991
Características Principales de Algunos Instrumentos que Pueden Negociarse en Bolsa	Martha Galicia	August 1991
Pasos para la Privatización	Martha Galicia	August 1991
Cédulas Hipotecarias	Martha Galicia	August 1991
Certificados de Participación Inmobiliaria (Resúmen)	Martha Galicia	August 1991
Ayuda Memoria: Pasos para la Venta de Acciones de Lloyd Aéreo Boliviano a través de la Bolsa de Valores	Martha Galicia	October 1991
Algunas Consideraciones sobre la Negociación en la Bolsa de DPFs Bancarios y el Impacto del Impuesto Complementario al IVA	Martha Galicia	February 1992
Reglamento de Inscripción y Operaciones de Certificados de Depósito a Plazo Fijo (DPFs) Emitidos por Bancos Comerciales (Borrados)	Martha Galicia	February 1992
Mecanismos Alternativos de Privatización para el Banco Popular del Perú/Bolivia	Martha Galicia	February 1992
Ayuda Memoria sobre Estímulos Fiscales para Promover el Desarrollo del Mercado de Valores	Martha Galicia	March 1992
Papel Financiero Bancario	Martha Galicia	March 1992
Condiciones para Participar en la Puja Abierta de la Opción de Compra de la Sucursal Bolivia del Banco Popular del Perú	Martha Galicia	March 1992
Mercados de Valores Emergentes	Martha Galicia	May 1992
Privatización de Empresas Públicas a través de Bolsa	Martha Galicia	May 1992

On-the-job training and seminars on special subjects complemented technical assistance throughout the project. Fourteen representatives of the CNV, BBV, and Central Bank attended "tailor-made" training courses abroad that were organized by the project with the cooperation of overseas organizations. More than 100 individuals received securities market training locally through 53 seminars and workshops, and 21 brokers participated in training programs in Mexico. A list of major seminars and workshops, conducted by project personnel and short-term consultants on 25 specific subjects, is presented in Table 9. Some of these seminars and workshops were offered several times throughout the project.

Summarized below are the means used by the project to ameliorate the impact of important issues hindering development of the securities market.

- **Lack of familiarity of both potential issuers and investors with the benefits of the market.** In order to alleviate this constraint a series of seminars for businesspersons was held. In addition, project personnel visited approximately 50 firms or potential issuers in La Paz, Cochabamba, and Santa Cruz. This effort complemented the activities carried out by brokers and BBV staff and prompted 17 companies to issue debt securities.
- **The existence of closed, family-owned entrepreneurial groups concerned with losing control in the administration of the company.** The strategy used in approaching this problem was to emphasize that control could be lost only by divesting ownership in a percentage greater than 50 percent and that the issuance of short- or long-term debt instruments would not endanger their control.
- **Many Bolivian companies lack complete and adequate financial information; therefore, they are not in a position to present accurate financial statements that permit an adequate analysis of their ability to issue securities.** In order to provide a solution to this problem the CNV was provided with the necessary technical assistance to design and implement a standardized charter of accounts for potential issuers and enforce rules on the presentation of financial data.
- **In the past the support granted by the Bolivian government in developing the securities market had been extremely limited.** The development of a securities market requires the complete support of government authorities. The project helped to increase the interest of key government officials in developing the market. Meetings to that effect were held with the Vice-President of Bolivia, Minister of Planning, Minister of Finance, President of the Central Bank, Superintendent of Banks, and various legislators.
- **Bolivian authorities have yet to consider the granting of fiscal incentives to promote the market.** Although the project did not succeed in persuading government to provide such incentives, it did succeed in obtaining the elimination of the costly transaction tax.
- **Bolivian legislation on the securities market was inadequate and did little to promote the development of the market.** New legislation was drafted with project assistance and submitted by the CNV to the executive branch for presentation to Congress.

Some important positive developments fostering the growth of the securities market have taken place recently.

- Three mutual funds were operating in September 1992—the most successful fund had a value of more than \$11 million.
- The BBV obtained authorization to trade CDs issued by private commercial banks.

**Table 9. Seminars and Workshops Conducted under  
Securities Market Component**

Title	Instructor	Date
Introduction to Money Market and Open Market Operations	Martha Galicia	September 1989 May 1990 October 1990
Introduction to Trading in a Securities Exchange	Martha Galicia	October 1989 November 1989
Strategic Planning and Logical Framework Methodology	Gustavo Gómez	November 1989
Lobbying and Communications	Joseph Thomas	November 1989
Introduction to Repurchase Operations	Martha Galicia	January 1990 January 1992
Lobbying Techniques	Benjamin Crosby	February 1990
Public Communications and Relations with the Press	Jesus Monroy	February 1990 April 1991
Communications Brainstorming Workshop	Joseph Thomas	February 1990
Strategic Planning in Communications	Joseph Thomas	June 1990
Seminar for Securities Traders	Martha Galicia	March 1990 May 1990 August 1990 August 1991 October 1991 April 1992 June 1992
Introduction to Capital Markets	Martha Galicia	January 1990 (2) June 1990 November 1990 April 1991 June 1991 October 1991 May 1992 (2) June 1992 (2)
Corporate Treasury Planning	Martha Galicia	June 1990 November 1990 March 1991
How to Use the Securities Exchange	Martha Galicia	March 1990 April 1990 May 1990 July 1990 (2)
Money Market Operations	Luz María Ramirez	April 1990 (2)
The Commodities and Futures Market	Eloy Cerpa	March 1990
Financial Analysis and Engineering	Carlos Sánchez	July 1992
Corporate Finance	Javier Gavito	July 1990

**Table 9 (continued)**

Title	Instructor	Date
Capital Markets Seminar	Javier Gavito	July 1990
The Private Sector and Capital Markets	Javier Gavito	November 1990 (3)
Marketing of Financial Instruments	Jose Luis Guerrero	July 1992
The Securities Market	Daniel Yarur	October 1992
Money Market and Mutual Funds	Maria del Carmen Sanjurjo	August 1992
The Securities Market Law	Fernando Vidal	July 1991
The Spirit of Securities Regulations	Pedro Mattar	April 1990
New Instruments for the Securities Exchange	William Aguirre	January 1992

- The Government of Bolivia is considering using the BBV as a mechanism to privatize some state enterprises. The privatized companies may well become the first companies to place common stock in the BBV.

Although the securities exchange system has been successfully started up, it still has a long way to go in its development. The market is highly dependent on Central Bank CDs and the amount traded decreased by approximately 50 percent between September 1991 and September 1992. To a large extent the decrease was due to the combined effect of a decrease in the supply of Central Bank CDs and the decrease in interest rates on Central Bank CDs, which are now lower than interest rates on the regular CDs offered by commercial banks through their branches. (The impact of these interest rates on market trading will be partly counterbalanced by the trading of commercial bank CDs that were recently approved by the CNV.)

The institutional framework of the securities market system is not yet consolidated, and development of the market requires more support from the Bolivian government and brokers. BBV is dependent on market development to turn around its operating deficit. Following are some observations and recommendations on these issues. (More detailed information can be found in "Consideraciones sobre el Mercado de Valores en Bolivia," Nathan Associates, October 1992.)

### **Bolsa Boliviana de Valores**

- The BBV is understaffed. It needs to hire additional support personnel to carry out routine activities in order maintain the efficiency of the organization.
- The BBV needs to establish an information system department with system analysis and programming capabilities. Data processing and information systems responding to the BBV's present needs were developed with Nathan Associates' assistance, but additional needs are arising as the market expands and the operations of the BBV become more sophisticated. In addition, the BBV should have qualified staff to provide maintenance to its computer programs as needed.
- A computerized accounting and budgeting system was established with project assistance and is operating efficiently. However, because the CNV will issue an accounting manual to which security exchanges must adhere, the BBV will have to modify its present accounting system to a certain extent.
- The Board of Directors of the BBV still has to approve the Reglamento Interno (Internal Regulation) submitted for its consideration in July 1992. This self-regulatory document is aimed at ensuring transparency in all transactions and establishing sanctions for brokers' infractions.

### **Comisión Nacional de Valores**

- The Bolivian government has not filled the presidency of the CNV. The functions of this position are currently carried out by an acting president.
- The CNV's Board of Directors should expedite its decision-making processes. In the past, the granting of authorization to issue securities has taken as long as 5 weeks. Delays in decisions of this type may discourage potential issuers from using the securities exchange system.
- The CNV has done a reasonably good job in supervising the growth and development of the securities market and the implementation or enforcement of existing regulations. However, the present regulatory framework of the securities market needs to be updated and reviewed

periodically as new developments take place in the market and because of the need to maintain adequate control and sanctions to safeguard the overall system. The proposed Ley de Mercados de Valores, prepared with project assistance, should be reviewed and approved by the Government of Bolivia as soon as possible.

- The CNV must also regulate the financial reporting of firms that issue securities. Standardized accounting and financial reporting will help to develop confidence of potential investors in the system and facilitate the interpretation of financial statements.
- The Bolivian government should provide the CNV with an adequate budget to recruit and maintain qualified personnel. The development of the securities exchange market requires effective and efficient supervision from the CNV to gain the confidence of and attract investors.
- The CNV developed the first phase of the computerized supervisory system with project support, and CNV personnel have since added new supervision programs. Nevertheless, the CNV has a long way to go in the development of its automated supervision system in order to ensure the effectiveness and efficiency of its supervisory responsibilities.

### **Brokerage Establishments**

- Independent brokerage establishments (those not linked to banks) are operating under sound profit-seeking principles. However, some of the brokerage organizations linked to banks are not yet managing their brokerage operations as profit centers and may be lacking the motivation to promote the securities market. According to the proposed Ley de Mercados de Valores, all banks with brokerage operations will be required to establish subsidiaries with their own legal identity. Some of the brokerage establishments have been operating under the legal identity umbrella of private commercial banks. This mode of operation is unhealthy for the securities market.
- Individual brokers need to expand their promotion and information dissemination activities to educate and motivate the general public and potential issuers of securities. The newly established Asociación de Agentes de Bolsa (Association of Brokers) should play an important role in improving the effectiveness of individual brokers.

### **Government of Bolivia**

- As indicated earlier, the Government of Bolivia should approve the Ley de Mercados de Valores.
- The Government of Bolivia should consider the possibility of establishing fiscal incentives to encourage development of the securities market.
- The Government of Bolivia should adequately fund the CNV to effectively and efficiently carry out its supervisory functions.
- The securities market offers the Government of Bolivia an additional means to implement its monetary policy.

The securities exchange system will require technical assistance and training intermittently both to foster market expansion and to keep up with market trends. Moreover, the institutions of the system should strengthen the relationships that have been established with similar organizations in other Latin American countries.

## 6. Improvement of Private Sector Policy Analysis and Formulation Capability

The project's technical assistance to the Confederación de Empresarios Privados de Bolivia (CEPB) involved two phases: (1) intensive technical assistance from July 1990 through March 1991 and (2) intermittent technical assistance from April 1991 through November 1992.

During the first phase, project assistance concentrated on the following aspects:

- Advisory support in establishing and hiring personnel for the policy analysis unit (PAU),
- Advisory support in determining policy analysis priorities on the basis of a policy issues agenda prepared by CEPB,
- Advisory assistance in the design of the PAU's database,
- Technical assistance and training in lobbying and communications strategies and techniques, and
- Preparation of technical studies and policy recommendations.

The most significant achievements of Phase 1 were as follows:

- Institutionalization of the PAU at CEPB. The PAU generates good quality policy analysis documents and produces a monthly bulletin, *Indicadores de Coyuntura*, featuring economic data and comments on specific issues.
- Preparation of 7 policy analysis studies and 21 analytical papers on specific issues and CEPB's strategies such as communications strategy. Some of these studies were used by the private sector in discussions with government officials.

Among the studies prepared by project personnel and short-term consultants are an analytical paper on the benefits of privatization (CEPB distributed more than 1,000 copies of this document), recommendations on better and clear rules for private investment, and a study recommending the establishment of a new system to provide health services on the basis of private sector participation instead of the present social security system.

Muller & Asociados' midterm evaluation documented CEPB's progress toward achieving the EOPS as of May 31, 1991 (the completion date of Phase 1). These EOPS indicators are spelled out in the letter of intent between A.I.D. and CEPB. The achievements discussed in the evaluation are briefly summarized as follows.

- Opinion leaders confirmed that CEPB has a fairly good image and does have an impact on policy formation. However, the evaluators lacked a preproject image survey to determine whether there has been any significant improvement in CEPB's national recognition as a result of the project.
  - CEPB sponsored or cosponsored four successful forums, accomplishing the purpose of defining the private sector agenda.
  - PAU has qualified technical personnel and produces economic analysis reports of acceptable quality.
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- CEPB's new database has been created but should be expanded to include information on important macroeconomic variables.
- CEPB had placed some paid announcements in the printed media, but there was no evidence of a well-planned, well-organized campaign. Neither was there evidence of a public relations strategy.
- CEPB had held frequent meetings with high government officials in which they expressed the position of the private sector. However, it was difficult to judge to what extent government policy was influenced by these meetings. CEPB did not maintain good records of these meetings.

During the second phase of technical assistance, the project provided CEPB with limited support, but two very important studies were prepared on constitutional reform and educational reform.

The project helped to develop important links between CEPB as the umbrella private sector organization and other private sector organizations. For example, the CEPB was an important vehicle in reaching private sector firms as potential issuers of securities. Also, seminars to familiarize businesspersons with the benefits of the securities market were conducted jointly by CEPB and BBV. The project also helped develop better communication and coordination links between the CEPB and seven other private sector associations that participated in this project.

The EOPS as of November 30, 1992, is presented in Table 10. A list of the most important technical reports prepared by the project is presented in Table 11, and a list of seminars and workshops conducted for CEPB personnel is presented in Table 12.

**Table 10. CEPB's End-of-Project Status**

Objectives	Achievements
1. CEPB gains recognition for its leadership in policy reform.	<ul style="list-style-type: none"> <li>• CEPB received recognition for its participation in important policy reforms. Four examples are Social Security Reform, Privatization, Constitutional Reform, and Educational Reform.</li> <li>• CEPB activities and opinions have made news in the communication media.</li> </ul>
2. CEPB implements four forums establishing the purpose of defining the private sector policy reform agenda.	<ul style="list-style-type: none"> <li>• With the participation of several regional member organizations and CEPB, a policy reform agenda was formulated. Thirteen issues were identified as high priority.</li> <li>• As one of the Economic Committee's priorities, a draft on the issue of Alternative Development was prepared. The subject was treated from the perspective of economic development and growth.</li> <li>• A report on the privatization of social security was completed.</li> <li>• The Economic Committee approved a position paper on private investment. The document is to complement the new government legislation framework concerning rules for private investment.</li> <li>• The CEPB sponsored a forum about the proposed Securities Market Law.</li> </ul>
3. Develop a professional in-house capability to analyze and formulate economic policy recommendations.	<ul style="list-style-type: none"> <li>• The policy analysis unit (PAU) created within the CEPB is currently operating. Two economists were hired by the CEPB.</li> <li>• The PAU has established a close working relationship with executives of the Economic Committee and the Board of Directors.</li> <li>• PAU's monthly bulletin <i>Indicadores de Coyuntura</i> was improved. The growing acceptance of the bulletin allows broader distribution among members, the communications media, and the Ministry of Foreign Affairs.</li> </ul>
4. Develop an automated database.	<ul style="list-style-type: none"> <li>• The database was established and includes time-series of updated competitiveness indicators. A computer program in Lotus 1-2-3 was developed to provide updated commodity export costs, import costs, and local costs of ENFE's (Empresa Nacional de Ferrocarril) service. This database has a comparative cost structure between main export and import connection ports.</li> <li>• The monthly economic bulletin forms the centerpiece for the continuing development of the database.</li> </ul>
5. CEPB designs and implements a promotion campaign to improve the CEPB's image and gain credibility as a capable source of policy analysis.	<ul style="list-style-type: none"> <li>• The private sector image survey identified the strengths and weaknesses of the private sector and the CEPB as perceived by member organizations, labor, and the public in general. (The inputs provided by this survey should help the CEPB to design an effective promotion campaign.)</li> </ul>
6. A written record of government and private sector discussions leading to policy reform demonstrates that the CEPB is playing an important role in policy reform.	<ul style="list-style-type: none"> <li>• Seminars and meetings are now regularly conducted with government participation to discuss important issues such as: privatization, social security reform, educational reform, the Project of the Banking Law, tariffs decentralization, private investment, and contraband, among others. (The CEPB should maintain good records of these meetings.)</li> </ul>

**Table 10 (continued)**

Objectives	Achievements
7. CEPB designs and implements a strategic plan.	<ul style="list-style-type: none"> <li>A self-evaluation or organizational diagnosis was conducted on the CEPB as a first step in the development of a strategic planning process. The CEPB should maintain an updated strategic plan and adhere to it.</li> </ul>
8. The CEPB will have defined its organizational structure, functions, and procedures.	<ul style="list-style-type: none"> <li>The self-evaluation process included a series of recommendations regarding the organizational structure, functions, and procedures. Almost 80 percent of the recommendations were implemented.</li> </ul>
9. The CEPB will have assessed services provided before initiation of the project; analyzed potential services demand by associations; and designed, developed, and marketed two new services.	<ul style="list-style-type: none"> <li>The results of the public opinion survey and the self-evaluation completed this objective.</li> </ul>

**Table 11. Technical Reports Generated under  
CEPB's Policy Analysis Component**

Title	Author	Date
Primer Borrador: Asesoría sobre el Sistema de Salud Boliviano Informe: Proposición de las Bases de un Proyecto Preliminar de Legislación sobre la Reforma al Sistema de Salud Boliviano	Jose Piñeira Claro & Asociados	January 1991
Asesoría sobre el Sistema de Salud Boliviano Informe: Estrategia Global para la Salud Boliviana	Jose Piñeira Claro & Asociados	July 1991
Reforma del Sistema de Seguro Social a Largo	Claro & Asociados	October 1991
Imagen del Sector Privado en Bolivia <ul style="list-style-type: none"> <li>• Tomo I: Encuesta a Pequeños Empresarios</li> <li>• Tomo II: Encuesta a Líderes de Opinión</li> <li>• Tomo III: Encuesta a La Opinión Pública</li> <li>• Tomo IV: Entrevistas a Empresarios—Primera Parte</li> <li>• Tomo V: Entrevista a Empresarios—Segunda Parte</li> </ul>	Alfredo Torres Freddy Cervantes	April 1991
Unidad de Análisis y Seguimiento Parlamentario	William Báez	February 1991
Application for Cooperation (CIPE) Unidad de Análisis y Seguimiento Parlamentario (UASPA)	William Báez	June 1991
Privatización: Una Solución para Todos	Guillermo Thornberry	November 1990
Informe Análítico de los Resultados de la Encuesta Realizada en la Reunión de Privatización del 19 Noviembre 1990	Guillermo Thornberry Fernando Barja	March 1991
Costos de Transporte	Guillermo Thornberry Fernando Barja	March 1991
La Competitividad del Tipo de Cambio—Enfoque Paridad de Poder de Compra y Ley de un Precio	Guillermo Thornberry Fernando Barja	March 1991
Temas Prioritarios de Análisis: <ul style="list-style-type: none"> <li>• Desarrollo Alternativo</li> <li>• Ley de Exportaciones</li> <li>• Administración Autónoma de Almacenes Aduaneros (AADAA)</li> <li>• Zonas Francas</li> <li>• Competitividad</li> <li>• Seguridad Social</li> <li>• Temas Prioritarios para la CEPB en 1991</li> </ul>	Guillermo Thornberry Fernando Barja	March 1991
Análisis y Propuestas de Políticas del Sector Privado	Guillermo Thornberry	April 1991
Lineamientos de Posición de la CEPB sobre el Tema Privatización	Guillermo Thornberry	April 1991
Ayuda Memoria: Tasas de Interés	Guillermo Thornberry	September 1990
Ayuda Memoria: Arancel Cero	Guillermo Thornberry	August 1990

**Table 11 (continued)**

Title	Author	Date
Ayuda Memoria: Seminario sobre Mercado Bursátil	Guillermo Thornberry	August 1990
CEPB—Communications Strategy	Guillermo Thornberry	September 1990
Prioritized Agenda of Issues to be Analyzed by the Unidad de Análisis de Políticas of the Confederación de Empresarios Privados de Bolivia	Guillermo Thornberry	September 1990
Marco Lógico—CEPB	Guillermo Thornberry	September 1990
Documento de Trabajo sobre la Situación y Perspectivas del Pacto Andino	Guillermo Thornberry	October 1990
Ayuda Memoria: Principales Asuntos Planteados al Presidente de la República y su Gabinete	Guillermo Thornberry	October 1990
Análisis del Documento de la Cámara Nacional de Industrias sobre la Propuesta del Arancel Cero	Guillermo Thornberry	October 1990
Análisis de la Función de las Empresas Verificadoras	Guillermo Thornberry	November 1990
Análisis de las Tasas de Interés	Guillermo Thornberry	November 1990
La Inversión Privada en Bolivia	Guillermo Thornberry	November 1990
Términos de Intercambio	Fernando Barja	May 1991
Tarifas del Transporte Ferroviario	Fernando Barja	May 1991
Apuntes sobre el Desarrollo Alternativo y Desarrollo Económico	Fernando Barja	May 1991
Aporte a la Base de Datos	Fernando Barja	May 1991

**Table 12. Seminars and Workshops Conducted under  
CEPB's Policy Analysis Component**

Title	Instructor	Date
Strategic Planning and Logical Framework Methodology	Gustavo Gómez	November 1989
Lobbying and Communications	Joseph Thomas	November 1989
Communications Brainstorming Workshop	Joseph Thomas	February 1990
Public Communications and Relations with the Press	Jesús Monroy	February 1990
Lobbying Techniques	Benjamin Crosby	February 1990
Strategic Planning in Communications	Joseph Thomas	June 1990
Seminario Reactivación Economía Boliviana	Guillermo Thornberry	August 1990
Funciona/Ventajas de Bolsa Valores—La Paz	M. Galicia/J. Gavito	November 1990
Funciona/Ventajas de Bolsa Valores—Cochabamba	M. Galicia/J. Gavito	November 1990
Funciona/Ventajas de Bolsa Valores—Santa Cruz	M. Galicia/J. Gavito	November 1990
Seminario Sobre Privatización	Guillermo Thornberry	October 1990
Meetings with Ministers on Social Security Reform	Jorge Claro	October 1991
Social Security Reform	Jorge Claro	October 1991
Educational Reform	Jorge Claro	September 1992

## 7. Strengthening of Private Sector Associations

The project component aimed at strengthening private sector associations and that aimed at improving the private sector's policy analysis and formulation capability were mutually reinforcing in two important ways: (1) CEPB's improved management system developed under this component helps to improve CEPB's effectiveness in carrying out its leadership role in policy analysis, and (2) the individual associations' enhanced knowledge about the roles of other associations helps to improve their overall effectiveness.

The project provided technical assistance to the associations in organization and operations (including membership promotion) and in planning. Technical assistance in organization and operations included such aspects as legal structure and bylaws, organizational development, membership services, financial management, information systems, and lobbying and communications. Under this project component, the following associations received assistance:

- Cámara Nacional de Industrias (CNI),
- American Chamber of Commerce (AMCHAM),
- Asociación Boliviana de Instituciones de Asuntos Urbanos (ASOBUR),
- Cámara de Industria y Comercio (CIC) de Santa Cruz,
- Federación de Empresarios Privados de Cochabamba,
- Federación de Empresarios Privados de Chuquisaca, and
- Confederación de Empresarios Privados de Bolivia (CEPB).

In organization and operations, the associations underwent a diagnostic process that included an evaluation of legal, administrative, financial, and membership aspects. Recommendations were made for improving the associations' situation or performance in each of these aspects. A follow-up system was established in concurrence with each association to ensure the implementation of recommendations accepted by the associations.

Six of the seven associations developed and implemented strategic plans and institutional strengthening plans, and all seven associations improved their management systems. Through seminars and workshops, as well as through on-the-job-training and advisory services, the associations became familiar with strategic planning concepts and adopted the logical framework as a planning methodology. In addition, the project provided seminars in lobbying and communications. Approximately 100 members and executives from these associations participated in the seminars.

### ACHIEVEMENTS OF PROJECT PARTICIPANT ORGANIZATIONS

The following sections highlight the major achievements of each of the project participant associations as of October 30, 1991, when the technical assistance for this project component was completed.

## **Cámara Nacional de Industrias**

### ***Organization and Operations***

- Modification of the bylaws by the board of directors to allow greater participation of regional chambers.
- Establishment of a president's committee composed of district chamber presidents.
- Implementation of an organizational restructuring program and merging of some organizational units.
- Performance of an external audit for the first time in CNI's history.
- Design and implementation of a computerized accounting system that introduces the concept of accounting by funds.
- Creation of an economic analysis department.
- Development of a data bank.
- Design and implementation of a membership expansion program and increase in membership (32 percent) and revenues (17 percent).

### ***Planning***

- Successful conduct of a coordination seminar as an important step toward improving coordination among CNI and individual Chambers of Industry of the departments of Bolivia.
- Preparation of an institutional diagnosis document containing 84 recommendations, of which 90 percent were accepted.
- Development of a strategic plan in 1990 and review of the plan in 1991.
- Implementation of approximately 80 percent of the institutional strengthening plan in 1990 and complete implementation of approximately 30 percent of CNI's 1991 work plan by September 30 of that year.
- Establishment of a computerized system to monitor progress in the implementation of work plans.

## **American Chamber of Commerce**

### ***Organization and Operations***

- Development of an image-building and communications strategy and implementation of a communications program.
- Establishment of a Continuous Information Service to provide data about trade opportunities with the United States, as well as information on U.S.-trade related regulations.
- Development of a new computerized accounting system.
- Implementation of a new organizational structure and establishment of new functions.
- Ongoing provision of support to privatization through cosponsoring of seminars.
- Start-up of an investment promotion program.

### ***Planning***

- Development of a strategic plan in 1990 and review of the plan in 1991.



- Implementation of approximately 79 percent of the institutional strengthening plan in 1990 and complete implementation of approximately 44 percent of AMCHAM's 1991 work plan by September 30 of that year.

## **Asociación Boliviana de Instituciones de Asuntos Urbanos**

### ***Organization and Operations***

- Preparation of the following manuals: Job Descriptions, Administrative Procedures, and Financial Management.
- Modification of ASOBUR's legal framework and bylaws.

### ***Planning***

- Development of a strategic plan.
- Implementation of a sound budgeting system.
- Adoption of approximately 89 percent of the recommendations generated by the institutional diagnosis.
- Development of a strategic plan in 1990 and review of the plan in 1991.
- Completion of approximately 69 percent of the institutional building plan in 1990, and complete implementation of approximately 37 percent of ASOBUR's 1991 work plan by September 30 of that year.

## **Cámara de Industria y Comercio de Santa Cruz**

### ***Organization and Operations***

- Establishment of a library.
- Preparation of an operations manual.
- Development of a computerized accounting system with separate accounts for each source of funding.
- Establishment of a data bank with access to CNI's data bank.
- Increases in membership (18 percent) and revenues (24 percent).

### ***Planning***

- Adoption of approximately 76 percent of the recommendations generated by the institutional diagnosis.
- Development of a strategic plan in 1990 and review of the plan in 1991.
- Completion of approximately 90 percent of the institutional building plan in 1990, and complete implementation of approximately 60 percent of CIC's 1991 work plan by September 30 of that year.

## **Federación de Empresarios Privados de Cochabamba**

### ***Organization and Operations***

- Assignment of responsibility for implementation of the institutional building plan to one individual.
- Improvement of the organizational structure and improvement in the distribution of functions among organizational units.
- Preparation of an operations manual.
- Increases in membership (16 percent) and revenues (24 percent).

### ***Planning***

- Approval and implementation of approximately 88 percent of the recommendations generated by the institutional diagnosis.
- Conduct of a regional forum, during which all the member associations submitted papers on problems related to their specific sectors and possible solutions.

## **Federación de Empresarios Privados de Chuquisaca**

### ***Organization and Operations***

- Modification of the organizational structure and preparation of a manual describing the functions of the organizational units.
- Development of a database.
- Addition of five member associations to the federation, increasing membership to 16 associations and subsequently increasing revenues by 29 percent.

### ***Planning***

- Conduct of a roundtable by approximately 680 persons as part of the planning process and presentation of nine conferences on important regional topics.
- Preparation of a document reflecting the concerns of 12 members of various economic sectors as part of the planning process.
- Adoption of approximately 83 percent of the recommendations made in the institutional diagnosis.
- Development of a strategic plan in 1990, and review of the plan in 1991.
- Completion of approximately 92 percent of the institutional building plan in 1990, and complete implementation of approximately 19 percent of the federation's 1991 work plan by September 30 of that year.

## **Confederación de Empresarios Privados de Bolivia**

### ***Organization and Operation***

- As per the project recommendations, establishment of an analysis and congressional actions unit responsible for following up on the congressional process related to laws or reforms of interest to the private sector.
- Reform of CEPB's bylaws.
- Development of a new accounting system.
- Preparation of an operations manual.
- Establishment of a new communications system with member organizations.

### ***Planning***

- Adoption of the concept of a regional roundtable as part of the planning and decision-making process.
- Implementation of several recommendations made in the institutional diagnosis.

The EOPS, by functional area objectives for the combined group of project participant associations, is presented in Table 13. The most important reports prepared under this component are listed in Table 14, and workshops and seminars conducted under this component are listed in Table 15.

## **FINAL COMMENTS**

From a management perspective, the private sector associations' future progress will depend to a large extent on the following factors:

- A democratic leadership style that triggers the confidence and participation of the member organizations and strengthens the private sector's cohesiveness.
- The associations' will to maintain a reasonable balance between national interest and business interest in the debate of any issue. This will help to maintain or enhance the image and credibility of the associations among the Government of Bolivia, communication media, and general public.
- The associations' will to carry out their operations on the basis of sound planning and strong commitment toward the achievement of objectives established in these plans.

**Table 13. Private Sector Associations' End-of-Project Status**

Objective	Achievements
<p>1. Each institution will have established a mechanism to develop and carry out systematic and long-term planning.</p>	<ul style="list-style-type: none"> <li>• Private sector associations have improved their strategic planning capability through a better understanding of strategic planning concepts and adoption of the logical framework planning methodology.</li> <li>• All six regional private sector associations are capable of implementing their strategic planning.</li> <li>• At the beginning of the SFM project the private sector associations were reluctant to address the issue of narcotrafficking and alternative development. Two years later, these issues were addressed by the Federations of Cochabamba, Santa Cruz, and Sucre in their annual plans.</li> <li>• In relation to the above matter, the Cámara Americana de Comercio sponsored a seminar on "Narcotrafficking and Its Repercussion on the Bolivian Economy" with the participation of government ministers and private sector associations. The Federation of Cochabamba organized a regional meeting with USAID/Cochabamba to coordinate efforts in the implementation of the new alternative development project of the Chapare.</li> <li>• With the assistance of IDEA and the CEPB, the "Programa de Fortalecimiento Institucional y Empresarial" [Program of Institutional Strengthening and Entrepreneurial Development (PROFOIE)] was developed to carry out future evaluation and strategic planning for private sector associations.</li> <li>• The ability of private sector associations to communicate and lobby was improved through training and the development of a communications strategy.</li> </ul>
<p>2. Organizational Development: Each institution will have defined its organizational structure, functions, and procedures.</p>	<ul style="list-style-type: none"> <li>• The Federations of Cochabamba and Chuquisaca made substantial changes in their bylaws in order to adapt them to the political and economic environment of their regions.</li> <li>• The Cochabamba Private Sector Federation initiated the operation of the Centro de Información Multidisciplinario (CIM, Multidisciplinary Information Center). The CIM is a data bank that collects information on population, production, education, business opportunities, and the like for the entire region. Its purpose is to provide relevant data regarding Cochabamba that will help to promote investment. The CIM is linked to the computer of USAID's Alternative Development Program in Cochabamba in order to share information on products and markets.</li> <li>• The organizational charts of Cámara Nacional de Industrias (CNI), American Chamber of Commerce (AMCHAM), Federación de Empresarios Privados de Chuquisaca (FEPCH), and Cámara de Industria y Comercio de Santa Cruz (CIC) were restructured, and new departments, such as the Department of Public Relations, were created.</li> <li>• On the basis of the positive results of the "Roundtable Meetings" sponsored by the FEPCH, the Federación de Empresarios Privados de Cochabamba (FEPC) organized a similar event.</li> <li>• In order to strengthen democracy in Bolivia, three institutions were organized:               <ol style="list-style-type: none"> <li>1. Unidad de Análisis y Seguimiento Parlamentario (USAP). Sponsored by the CEPB to carry out legal and economic</li> </ol> </li> </ul>

Table 13 (continued)

Objective	Achievements
	<p>analysis of legislation proposed to Congress and to track progress in the legislation process. In order to operate this unit a foundation in Washington donated US\$102,000.</p> <ol style="list-style-type: none"> <li>2. Fundación para la Libertad y Desarrollo (LIDER). An independent foundation with its own legal status, its primary objective is to research, promote, and disseminate social, political and civil processes to the region of Chuquisaca and other departments of Bolivia. LIDER will also disseminate the results of its analysis through several publications. In addition, it will sponsor seminars and courses on the benefits of democracy.</li> <li>3. The Liberty Foundation. A Santa Cruz-based organization with its own legal status sponsored by the business community of Santa Cruz with the support of the CIC, its goal is to carry out legal and economic analysis in support of the political and administrative decentralization process in Bolivia.</li> </ol>
<p>3. Membership development: each institution will have assessed the services provided before initiation of the project; analyzed potential services demand by associations; and designed, developed, and marketed two new services.</p>	<ul style="list-style-type: none"> <li>• All associations had an increase in membership.</li> <li>• The CNI created three new services: the Productivity Center, Subcontracting Pool, and Information System (SIC).</li> <li>• With the sponsorship of the CEPB, all associations used the roundtable mechanism to achieve consensus and design a regional development agenda with a component of employment generation.</li> <li>• AMCHAM conducted a study of members' options.</li> <li>• CIC initiated several projects to benefit the region by creating employment opportunities: <ul style="list-style-type: none"> <li>— Project Paraná-Paraguay</li> <li>— Direct dialing system</li> <li>— Private rail transportation system</li> </ul> </li> <li>• With the leadership of the FEPCH, the Civic Committee of Sucre elected a president who represents the private sector.</li> <li>• CNI and AMCHAM increased their participation in government policy analysis.</li> <li>• CNI intervention was fundamental in the formulation of policies on the development of free trade zones.</li> <li>• In coordination with the Regional Development Corporation of Santa Cruz, the CIC initiated a privatization strategy for state-owned companies.</li> <li>• As a result of the SFM project, the private sector associations are in a better position to promote the creation of new investments that will in turn generate employment. An example is AMCHAM's promotion of five new companies and the participation of FEPCH in the creation of four industrial enterprises.</li> <li>• The SFM project increased the awareness of the private sector associations in the privatization process.</li> <li>• The SFM project also contributed to private sector associations' awareness of the importance of their involvement and responsibility in the alternative development program.</li> <li>• The SFM project played an important role in maintaining the unity of the industrial sector of Bolivia when attempts were made by regional chambers of industry to create a new national federation of chambers.</li> </ul>

**Table 14. Technical Reports Generated under  
Private Sector Associations Component**

Title	Author	Date
Autoevaluación Cámara de Industria de Comercio de Santa Cruz	William Báez Guido Peña	July 1990
Autoevaluación Federación de Empresarios Privados de Cochabamba	William Báez Guido Peña	September 1990
Conclusiones sobre la Mesa Redonda de la Federación de Empresarios Privados de Chuquisaca	Gustavo Deuer	October 1990
Autoevaluación de la Federación de Empresarios Privados de Chuquisaca	William Báez Guido Peña	November 1990
Autoevaluación de la Confederación de Empresarios Privados de Bolivia	William Báez Guido Peña	January 1991
Autoevaluación de la Federación de Empresarios Privados de Santa Cruz	PROPOIE	1991
Análisis de la "Mesa Redonda" como Instrumento para el Fortalecimiento de la Federación de Empresarios Privados de Chuquisaca	Silvia Jerez	December 1990
Seminario de Fijación de Logros de Metas: La Paz y Santa Cruz	John Ickis	December 1990
Informe Foro Empresarial: Federación de Empresarios Privados de Cochabamba	Roxana Oviedo	December 1990
Asociación Boliviana de Asuntos Urbanos "ASOBUR": Manual de Funciones, Manual de Procedimientos Contables y Administrativos	Cesar Tapia	February 1991
Demand Analysis for Computer Software: Federación de Empresarios Privados de Cochabamba	Saikumar Sathyanarayan	January 1991
Estudio de Factibilidad para la Creación del Centro de Investigación Multidisciplinario (CIM), Federación de Empresarios Privados de Cochabamba	Saikumar Sathyanarayan	November 1990
Cámara Nacional de Industrias Centro de Información—Plan Estratégico	Saikumar Sathyanarayan	April 1991
Federación de Empresarios Privados de Cochabamba: Centro de Investigación Multidisciplinario—Plan Estratégico	Saikumar Sathyanarayan	April 1991

**Table 15. Seminars and Workshops Conducted under  
Private Sector Associations Component**

Title	Instructor	Date
Strategic Planning and Logical Framework Methodology	Gustavo Gómez	November 1989
Lobbying and Communications	Joseph Thomas	November 1989
Communications and Public Relations	Stephen Bosio	June 1990
Achievement Motivation—Sucre	John Ickis	December 1990
Achievement Motivation—La Paz	John Ickis	December 1990
Achievement Motivation—Santa Cruz	John Ickis	December 1990
Lobbying Techniques—La Paz	Benjamin Crosby	October 1990
Lobbying Techniques—Sucre	Benjamin Crosby	October 1990
Lobbying Techniques—Santa Cruz (Cochabamba)	Benjamin Crosby	October 1990
Public Communications and Relations with the Press	Jesús Monroy	February 1990 April 1991
Communications Brainstorming Workshop	Joseph Thomas	February 1990
Strategic Planning in Communications	Joseph Thomas	June 1990

**Appendix A**  
**SFM PROJECT CLIENTS**

**ORIGINAL PROJECT CLIENTS**

**ASOCIACION DE BANCOS E  
INSTITUCIONES FINANCIERAS DE  
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President

**Lic. Ricardo Rojas**  
General Manager

**Sr. Fernando Sánchez de Lozada**  
Former General Manager

**Sr. Hugo Villegas**  
Former General Manager

**Sr. Javier Aneiva**  
Technical Manager

**Sr. Roderick Makenzie**  
Operations Manager

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**Sr. Carlos Rioja**  
Former President

**Lic. Ivan Golac**  
President a.i.

**Sonia Vargas**  
Executive Secretary

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President  
**Dr. Alfredo Arana**  
General Manager



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President

**Sr. Scotty Bruce**  
President

**Sra. Amalia Monje**  
General Manager

**Sr. Carlos Barrero**  
Former General Manager

**CONFEDERACION DE EMPRESARIOS PRIVADOS  
DE BOLIVIA (CEPB)**  
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**Lic. Fernando Illanes**  
President

**Sr. Johnny Nogales**  
Executive Secretary

**Sr. Javier Cuevas**  
Manager for UASPA  
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Parlamentario)

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### **ADDITIONAL PROJECT CLIENTS**

#### **Associations**

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Executive Vice President

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Operations Vice President

**Sr. Omar Medrano**  
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**Sr. Leonardo Garcia**  
Assistant Manager for Marketing

**Sr. Franco Urquidi**  
Commercial Vice President

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*Appendix B*

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**INVENTORY OF ALL NONEXPENDABLE  
PROPERTY PURCHASED DURING  
THE SFM PROJECT**

## INVENTORY OF ALL NONEXPENDABLE PROPERTY PURCHASED DURING THE PROJECT LIFE

AS OF NOV. 1992

CODE	QUANTITY	UNIT OF MEASURE	ITEM - DESCRIPTION	HQ - PURCHASE		LOCAL PURCHASE			CONDITION	LOCATION	REMARKS
				DOLLAR AMOUNT	MONTH/YEAR	DOLLAR AMOUNT	VOUCHER #	MONTH/YEAR			
NAI-001	ONE	EA	TELEPHONE LINE NUMBER 375798			\$1,567	890817	AUG 89	GOOD	OFFICE PREMISES	SOLD TO USAID - PROCUREMENT
NAI-002	TWO	EA	WOODEN ARM CHAIRS WITH CLOTH - SAND COLOR			\$220	890908	SEP 89	GOOD	TEAM LEADER'S OFFICE	DONATED TO FEPCN
NAI-003	ONE	EA	WOODEN DARK BROWN MEETING TABLE			\$209	890908	SEP 89	GOOD	CONFERENCE ROOM	DONATED TO FEPCN
NAI-004	ONE	EA	SWIVEL METAL SECRETARY CHAIR W/LEATHER & CLOTH			\$112	890908	SEP 89	GOOD	TEAM LEADER'S SECRETARY	DONATED TO FEPCN
NAI-005	ONE	SET	WOODEN LIVING ROOM SET - DARK BROWN (5 pcs.)			\$452	890908	SEP 89	GOOD	RECEPTION PREMISES	DONATED TO BBV
NAI-006	ONE	EA	TYPEWRITER TABLE ONE DRAWER COVERED SURF.W/LEATHER			\$74	890908	SEP 89	GOOD	CONSULTANTS OFFICE	DONATED TO FEPCN
NAI-007	ONE	EA	WOODEN SECRETARY DESK WITH FOUR DRAWERS			\$205	890908	SEP 89	GOOD	TEAM LEADER'S SECRETARY	DONATED TO FEPCN
NAI-008	THREE	EA	WOODEN EXECUTIVE DESKS WITH SIX DRAWERS			\$863	890908	SEP 89	GOOD	ASSIST. TO TL OFFICE CNV/BBV CONSULTANT'S OFFICE ADM. ASSISTANT	DONATED TO CNV DONATED TO CNV DONATED TO CNV
NAI-009	ONE	EA	WOODEN FILING CABINET W/FOUR DRAWERS			\$308	890908	SEP 89	GOOD	SECRETARY OFFICE SPACE	DONATED TO CNV
NAI-010	ONE	SET	12 WOODEN DARK BROWN MEETING TABLE CHAIRS W/LEATHER			\$424	890908	SEP 89	GOOD	CONFERENCE ROOM	DONATED TO FEPCN
NAI-011	THREE	EA	SWIVEL METAL EXEC. CHAIR W/BROWN LEATHER AND CLOTH			\$477	890908	SEP 89	FAIR	CNV/BBV CONSULTANT'S OFFICE CONFERENCE ROOM ADM. ASSISTANT	DONATED TO CNV DONATED TO CNV DONATED TO CNV
NAI-012	ONE	EA	WOODEN CREDENZA "R"			\$280	890912	SEP 89	GOOD	ASSISTANT TO TL OFFICE	DONATED TO CNV
NAI-013	TWO	EA	SMALL WOODEN TELEPHONE TABLES			\$75	890912	SEP 89 SEP 89	GOOD GOOD	TEAM LEADER'S OFFICE ASSISTANT TO TL OFFICE	DONATED TO FEPCN DONATED TO CNV
NAI-014	ONE	EA	TELEPHONE LINE WITH DIRECT DIALING OVERSEAS 391417			\$2,048	890921	SEP 89	GOOD	OFFICE PREMISES	DONATED TO CNV
NAI-015	ONE	EA	TELEPHONE SYSTEM SANYO EKS 6120 - SIX APPARATUS			\$1,940	890937	OCT 89	GOOD	TEAM LEADER'S OFFICE ASSISTANT TO TL OFFICE SECRETARY'S DESK CNV/BBV CONSULTANT'S OFFICE ADM. ASSISTANT'S OFFICE CONSULTANTS' OFFICE	DONATED TO CNV
NAI-016	ONE	EA	NATIONAL VACUUM CLEANER MOD. NC-4626 SEMI-INDUSTRIAL			\$306	891003	OCT 89	GOOD	OFFICE PREMISES	DONATED TO CNV

INVENTORY OF ALL NONEXPEKBABLE PROPERTY PURCHASED DURING THE PROJECT LIFE

AS OF NOV. 1992

CODE	QUANTITY	UNIT OF MEASURE	ITEM - DESCRIPTION	HQ - PURCHASE		LOCAL PURCHASE			CONDITION	LOCATION	REMARKS
				DOLLAR AMOUNT	MONTH/YEAR	DOLLAR AMOUNT	VOUCHER #	MONTH/YEAR			
NAI-017	TWO	EA	WOODEN FLIPCHARTS			\$130	891008/11	OCT 89	GOOD	CONFERENCE ROOM	DONATED TO PROCAF
NAI-018	ONE	EA	SMALL WOODEN KITCHEN TABLE			\$45	891008	OCT 89	GOOD	KITCHEN	DONATED TO FEP STA. CRUZ
NAI-019	ONE	EA	LARGE WOODEN TABLE WITH TWO DRAWERS			\$147	891126	NOV 89	GOOD	OFFICE PREMISES	DONATED TO PROCAF
NAI-020	TWO	EA	WOODEN COMPUTER TABLES			\$280	891126	NOV 89	FAIR	TEAM LEADER'S SECRETARY	DONATED TO FEPCN
								NOV 89	GOOD	CONSULTANTS' OFFICE	DONATED TO BBV
NAI-021	FOUR	EA	ELECT. POWER PROTECTORS FOR COMPUTERS(3) AND FAX(1)			\$140	891117	NOV 89	GOOD	TEAM LEADER'S SECRETARY	DONATED TO FEPCN
										CONSULTANTS' OFFICE	DONATED TO BBV
										CNV/BBV CONSULTANT'S OFFICE	DONATED TO CNV
										FAX MACHINE	DONATED TO FEPCN
NAI-022	THREE	EA	IBM MB30/286 20 MB	\$4,905	NOV 89				GOOD	TEAM LEADER'S SECRETARY	DONATED TO BBV
									GOOD	CNV/BBV CONSULTANT'S OFFICE	DONATED TO FEPCN
									GOOD	CONSULTANTS' OFFICE	DONATED TO CNV
NAI-023	THREE	EA	IBM SYS2 MONO 05PLY	\$520	NOV 89				GOOD	TEAM LEADER'S SECRETARY	DONATED TO BBV
									GOOD	CNV/BBV CONSULTANT'S OFFICE	DONATED TO FEPCN
									BAD	CONSULTANTS' OFFICE	DONATED TO CNV
NAI-024	THREE	EA	EPSON LQ-1050 (2) AND FX-1050(1) PRINTERS	\$2,267	NOV 89				GOOD	TEAM LEADER'S SECRETARY(LQ)	DONATED TO BBV
									GOOD	CNV/BBV CONSULTANT'S OFFICE(LQ)	DONATED TO FEPCN
									GOOD	CONSULTANTS' OFFICE(FX)	DONATED TO CNV
NAI-025	ONE	EA	ZENITH SUPRSPT	\$1,699	NOV 89				GOOD	OFFICE DEPOSIT	CUSTODY MR. MACDANIEL
NAI-026	THREE	EA	PARALLEL TO IBM 6FT CABLES	\$85	NOV 89				GOOD	TEAM LEADER'S SECRETARY	DONATED TO BBV
										CNV/BBV CONSULTANT'S OFFICE	DONATED TO FEPCN
										CONSULTANTS' OFFICE	DONATED TO CNV
NAI-027	THREE	EA	TRANSFORMERS 500 WATT	\$360	NOV 89				GOOD	DEPOSIT	DONATED TO BBV
											DONATED TO FEPCN
											DONATED TO CNV
NAI-028	ONE	EA	SHARP FO-220 FACSIMILE MACHINE	\$795	NOV 89				GOOD	OFFICE PREMISES	DONATED TO FEPCN
NAI-029	TWO	EA	CASSIO FRI255-BK 12 DIGIT CALCULATORS	\$140	NOV 89				GOOD	CNV/BBV CONSULTANT'S OFFICE	DONATED TO CNV
										ADM. ASSISTANT'S OFFICE	DONATED TO PROCAF

## INVENTORY OF ALL NONEXPENDABLE PROPERTY PURCHASED DURING THE PROJECT LIFE

AS OF NOV. 1992

CODE	QUANTITY	UNIT OF MEASURE	ITEM - DESCRIPTION	H B - PURCHASE		LOCAL PURCHASE			CONDITION	LOCATION	REMARKS
				DOLLAR AMOUNT	MONTH/YEAR	DOLLAR AMOUNT	VOUCHER #	MONTH/YEAR			
NAI-030	THREE	EA	LOTUS 123 PROGRAM	\$795	NOV 89					INSTALLED IN COMPUTERS	DONATED TO CNV DONATED TO FEPCB ASOBAM
NAI-031	THREE	EA	DBASE IV	\$1,335	NOV 89					INSTALLED IN COMPUTERS	DONATED TO CNV DONATED TO FEPCB ASOBAM
NAI-032	THREE	EA	WORDPERFECT 5.0 PROGRAM	\$837	NOV 89					INSTALLED IN COMPUTERS	DONATED TO CNV DONATED TO FEPCB ASOBAM
NAI-033	THREE	EA	DOS	\$261	NOV 89					INSTALLED IN COMPUTERS	DONATED TO CNV DONATED TO FEPCB ASOBAM
NAI-034	THREE	EA	ALLWAYS	\$0	NOV 89					INSTALLED IN COMPUTERS	DONATED TO CNV DONATED TO FEPCB ASOBAM
NAI-035	ONE	EA	XEROX MACHINE MOD 1012	\$2,625	DEC 89				GOOD	OFFICE PREMISES	DONATED TO FEPCB
NAI-036	ONE	EA	IBM TYPEWRITER WHEELWRITER 10 SERIES II	\$465	DEC 89				GOOD	OFFICE PREMISES	DONATED TO BBV
NAI-037	ONE	EA	GBC BINDER MACHINE	\$1,091	DEC 89				GOOD	OFFICE PREMISES	DONATED TO PROCAF
NAI-038	ONE	EA	SONY M-2000 TRANSCRIB. MACHINE W/MICROCASSET RECORDER	\$324	DEC 89				GOOD	OFFICE DEPOSIT	DONATED TO PROCAF
NAI-039	ONE	SET	SMALL WOODEN ROUND MEETING TABLE W/TWO CHAIRS			\$118	900110	JAN 90	GOOD	CNV&BBV CONSULTANT'S OFFICE (DESK; CONSULTANTS' OFFICE (TWO CHAIRS);	DONATED TO PROCAF
NAI-040	ONE	EA	WOODEN CREDENZA "R" - 1.66M.			\$362	900314	MAR 90	GOOD	TEAM LEADER'S OFFICE	DONATED TO FEPCB
NAI-041	TWO	EA	WOODEN ARMCHAIR - DARK BROWN W/CLOTH			\$260	900314	MAR 90	GOOD	CNV/BBV CONSULTANT'S OFFICE (ONE CHAIR) ADM. ASSISTANT'S OFFICE (ONE CHAIR)	DONATED TO CNV DONATED TO CNV
NAI-042	ONE	EA	WOODEN FILING CABINET 4 DIVISIONS			\$364	900314	MAR 90	GOOD	TEAM LEADER'S OFFICE	DONATED TO FEPCB
NAI-043	TWO	EA	SANYO TELEPHONE APPARATUS			\$419	900315	MAR 90	GOOD	RECEPTION AREA	DONATED TO CNV

INVENTORY OF ALL NONEXPENDABLE PROPERTY PURCHASED DURING THE PROJECT LIFE

AS OF NOV. 1992

CODE	QUANTITY	UNIT OF MEASURE	ITEM - DESCRIPTION	HQ - PURCHASE		LOCAL PURCHASE			CONDITION	LOCATION	REMARKS
				DOLLAR AMOUNT	MONTH/YEAR	DOLLAR AMOUNT	VOUCHER #	MONTH/YEAR			
NAI-044	ONE	EA	WOODEN SECRETARY DESK WITH FOUR DRAWERS			\$243	900319	MAR 90	GOOD	CONSULTANTS' SECRETARY	DONATED TO CRV
NAI-045	ONE	SET	BLUE/GRAY LIVING ROOM SET (FOUR PIECES)			\$496	900322	MAR 90	GOOD	TEAM LEADER'S OFFICE	DONATED TO FEPC
NAI-046	ONE	EA	SWIVEL METAL COVERED W/BROWN LEATHER EXEC. CHAIR			\$263	900301	APR 90	GOOD	TEAM LEADER'S OFFICE	DONATED TO FEPC
NAI-047	ONE	EA	EXECUTIVE WOODEN DESK WITH 6 DRAWERS			\$484	900402	APR 90	GOOD	TEAM LEADER'S OFFICE	DONATED TO FEPC
NAI-048	ONE	EA	DARK BLUE DESK LAMP			\$54	900407	APR 90	GOOD	TEAM LEADER'S OFFICE	DONATED TO FEPC
NAI-049	ONE	EA	SMALL COFFEE TABLE WITH GLASS SURFACE			\$50	900434	APR 90	GOOD	RECEPTION AREA	DONATED TO BBV
NAI-050	ONE	EA	COMPUTER SOFTWARE PROGRAM - APPLAUSE	\$100	MAY 90					INSTALLED IN COMPUTER	DONATED TO BBV
NAI-051	ONE	EA	ZENITH LCD PANEL - RICHARDS COMPUTER	\$338	JUNE 90					1ST REPLACEMENT FOR LAPTOP COMPU	REPLACEMENT/LAPTOP COMPUTER
NAI-052	THREE	EA	EXPANSION KITS - SITE BUSINESS SYSTEMS	\$277	JULY 90					INSTALLED IN THREE IBM COMPUTERS	INSTALLED IN 3 PS/30 COMPUTERS
NAI-053	ONE	EA	ZENITH LCD PANEL - RICHARDS COMPUTER	\$608	AUG 90					2ND REPLACEMENT FOR LAPTOP COMPU	INSTALLED IN LAPTOP COMPUTER
NAI-054	FOUR	EA	PLASTIC DESK FLOOR MATS - LARGE			\$214	901006	OCT 90	REGULAR	TEAM LEADER'S OFFICE ASSISTANT TEAM LEADER'S OFFICE CONSULTANTS' OFFICE ADM. ASSISTANT'S OFFICE	DONATED TO FEPC DONATED TO CRV DONATED TO CRV DONATED TO CRV
NAI-055	THREE	EA	PLASTIC DESK FLOOR MATS - MEDIUM			\$123	901006	OCT 90	REGULAR	TEAM LEADER SECRETARY'S DESK MESSENGER'S DESK CONFERENCE ROOM	DONATED TO FEPC DONATED TO FEPC DONATED TO CRV
NAI-056	ONE	EA	WOODEN FILING CABINET - FOUR DRAWERS			\$237	901052	OCT 90	GOOD	ADM. ASSISTANT	DONATED TO BBV
NAI-057	ONE	EA	IBM "MOUSE" FOR COMPUTER			\$146	901124	NOV 90	GOOD	CRV/BBV CONSULTANT'S OFFICE	DONATED TO BBV
NAI-058	THREE	EA	COMPUTER FILTERS			\$76	901124	NOV 90	REGULAR	INSTALLED IN COMPUTERS	INSTALLED IN 3 PS/30 COMPUTERS
NAI-059	ONE	EA	CONFERENCE TABLE GLASS			\$123	910141	JAN 91	GOOD	CONFERENCE ROOM	DONATED TO FEPC
NAI-060	TWO	EA	WOODEN ARMCHAIR W/CLOTH COLOR BEIGE			\$93	910209	FEB 91	GOOD	ASSIST. TO TEAM LEADER'S OFFICE	DONATED TO CRV
NAI-061	ONE	EA	PROGRAM WP 5.1 - SOFTWARE SPECIALIST	\$255	MARCH 91						DONATED TO BBV
NAI-062	ONE	EA	ZENITH LAPTOP CASE - RICHARDS COMPUTER	\$80	JUNE 91				REGULAR	OFFICE DEPOSIT	LAPTOP COMPUTER CASE

INVENTORY OF ALL NONEXPENDABLE PROPERTY PURCHASED DURING THE PROJECT LIFE

AS OF NOV. 1992

CODE	QUANTITY	UNIT OF MEASURE	ITEM - DESCRIPTION	HQ - PURCHASE		LOCAL PURCHASE			CONDITION	LOCATION	REMARKS
				DOLLAR AMOUNT	MONTH/YEAR	DOLLAR AMOUNT	VOUCHER #	MONTH/YEAR			
NAT-063	ONE	EA	SMALL WOODEN TELEPHONE TABLE W/ONE CABINET			\$96	911020	OCT 91	GOOD	SECRETARY'S OFFICE	DONATED TO FEPC
NAT-064	ONE	EA	SMALL WOODEN BOOKCASE DARK BROWN			\$125	911204	BIC 91	GOOD	CHIEF OF PARTY'S OFFICE	INSTAL.OFF.BUILT-IN BOOKSHELF
NAT-065	ONE	EA	MONOCROMATIC MONITOR VISA SAMSUNG			\$380	920526	MAY 92	GOOD	CONSULTANTS' OFFICE	DONATED TO CNV
NAT-066	THREE	EA	LIGHT BROWN WOODEN WALL DIVISIONS			\$495	900420	APR 90	GOOD	OFFICE PREMISES	DONATED TO CNV
TOTALS				\$20,181		\$15,742					

USAID/NAT ONE EA 1990 JEEP CHEROKEE 4DOOR 4WD BRIGHT WHITE/VYNIL BUCKET \$16,000 DEC 89

PURCHASED BY THE MISSION

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